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## Peking Heightens Criticism of U.S. On Taiwan Arms

By Michael Parks  
Los Angeles Times Service

PEKING — China angrily accused the United States on Tuesday of selling arms to Taiwan in order to prevent the island's reunification with the mainland and thus to keep it as "an unsinkable American aircraft carrier" in the Far East.

In a lengthy analysis of the growing crisis in Chinese-American relations, Peking made clear that its opposition to the continued U.S. sale of weapons to Taiwan was based primarily on its fear that it will never recover the island unless Washington ends its protection of the Chinese Nationalists who hold it.

"The United States is clearly taking a stand to block the return of Taiwan to the embrace of the motherland," declared an authoritative commentary in the Communist Party newspaper People's Daily. It said this is why Peking has been so adamant in insisting on an end to the arms sales, which it described as an infringement on China's sovereignty and interference in its internal affairs.

"China's modern history is essentially a record of the Chinese people's struggle to safeguard its independence and sovereignty and fight against foreign intervention," the commentary said. "This long, drawn-out struggle cost the Chinese people countless lives and untold suffering. The liberated new China will not tolerate any encroachment upon its sovereignty, and for this reason opposes foreign arms sales to Taiwan."

### Top-Level Thinking

The article was signed by a "special commentator" and was published by the People's Daily in advance of its appearance in the authoritative journal of international studies — all signs that it represents top-level thinking on the crisis in relations with the United States.

But it also appeared to be more than simply an outline of China's views. In its detailed chronicling of developments in relations over the past decade, particularly on the arms question and related issues, it appeared to be preparing the Chinese public for the downgrading of ties with the

United States over new weapons sales.

"Relations between China and the United States are now at a crossroads," the commentary declared. "China on its part is working for the best possible prospects and at the same time is prepared for things to get worse."

Deng Xiaoping, the Communist Party vice chairman who is recognized as China's top leader, warned again Tuesday that Peking is prepared to downgrade relations with the United States rather than accept continued U.S. arms sales to Taiwan.

### Pending Review

Mr. Deng told the visiting former British prime minister, Edward Heath, that the United States must adhere to its recognition of the Communist regime here as China's sole legal government and Taiwan as a part of China and stop selling weapons to the Chinese Nationalists or Chinese-American relations would deteriorate sharply.

"There is no doubt about the depth of the feeling," Mr. Heath said of Mr. Deng's comments. "Obviously, it has become a pretty crucial situation."

The Reagan administration has been planning to put forward for congressional review a \$60-million sale of military spare parts to Taiwan. It will probably submit it within a few days, and this could touch off the "downgrading" that Chinese officials have warned about.

"We are moving toward the crisis," one informed Chinese official said over the weekend. "There seems to be no immediate way to avoid the confrontation."

The commentary, however, reiterated China's willingness to discuss the arms sale question in the context of overall relations with the United States, but its terms for a compromise still appear to be too tough for the Reagan administration to accept.

What China has been proposing is an agreed limit on the types, amounts and length of time the arms sales would continue, but the Reagan administration has maintained, at least publicly, that it cannot agree to a veto for Peking over what it sells to Taiwan.



Francis Pym, the new British foreign secretary, leaving a Cabinet meeting Tuesday.

## Opposition Leaders in Argentina Say Discontent Remains Strong

From Agency Dispatches

BUENOS AIRES — Argentine opposition leaders say that although they support the military government's seizure of the Falkland Islands, their discontent with the junta has not been reduced.

Political and labor leaders opposed to the government have said they are prepared to join in a war with Britain if necessary, but in interviews and public statements they have made clear that opposition to military rule remains and pressure for elections will resume when the crisis over the Falklands ends.

The country has not mobilized for war, although the military is on full alert and hospitals in the sea-side resort of Mar del Plata, 300 miles (480 kilometers) south of here, are being prepared to take wounded.

Foreign Ministry officials said Monday that an edict issued Saturday night that closed stores on the Falklands and required all people to stay indoors had been modified, and that islanders were now going outdoors. Penalties remained for such acts as showing disrespect to the Argentine flag.

The seizure of the islands has struck a note of pride among Argentines amid a frustrating political and economic situation. The military has ruled Argentina for six years. The country is in a deep recession, unemployment is rising and inflation is about 150 percent a year.

But referring to popular support for the seizure of the islands, former Foreign Minister Oscar Camilio said Monday, "From the point of view of discontent with the economy, the islands mean nothing."

Angel Robledo, the closest thing to a grand old man in the Peronist Party, the country's largest, said, "Undoubtedly the military is more stable than it was a week ago." But he added, "I don't think this is sufficient to reverse the frustration and opposition that the majority of Argentines have felt." With or without the islands, he said, "our limit for elections is 1984."

While the Argentine foreign minister, Nicanor Costa Méndez, met in Washington with the Organization of American States and high-ranking U.S. officials, officials in Buenos Aires appeared to be basing their hope of keeping the islands on U.S. mediation and pressure against British military.

Interior Minister Alfredo Saint-Jean, who was scheduled to fly to the islands Wednesday to swear in the military governor for what Argentina has designated its 23d province, told reporters here Mon-

day that "in a civilized world... one cannot think of a decision" by Britain to retake the Falklands by force. Mr. Saint-Jean also expressed confidence that Argentina would be backed strongly by the Latin members of the O.A.S.

Argentine officials have appealed for regional support by arguing that the seizure of the

islands represented a reversal of nearly 150 years of British colonial control and by frequently invoking the Rio Treaty, which commits Latin American nations and the United States to consult in the event that one of them is attacked.

So far, however, the government clearly has been disappointed by

the requests, raised at a meeting of EEC ambassadors, included bans on key imports of Argentine goods, on sales of military equipment to Argentina, and on future export credits to Buenos Aires.

The ambassadors will meet Wednesday to discuss the legal basis for any moves to limit the \$4 billion worth of annual trade between the two sides.

Meanwhile, authoritative West German government sources said a 4-billion-Deutsche mark (\$1.6-billion) sale of submarines and patrol boats to Argentina was being held up for review. The Netherlands also announced plans to block the sale of military technology to Argentina.

Mrs. Thatcher, asked by Labor Party members of Parliament to resign, said, "No. Now is the time for strength and resolution."

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## Thatcher Refuses to Quit Amid Row on Falklands

Reuters

LONDON — Prime Minister Margaret Thatcher emphatically refused to resign Tuesday as her government took a political and economic battering over the Falkland Islands crisis.

She also announced she was banning all Argentine imports, thus tightening the economic noose Britain is attempting to put around Argentina for its seizure of the islands.

In pressing its economic attack, Britain received an encouraging initial response in Brussels from its European Common Market partners to requests for economic sanctions against Argentina, diplomatic sources said Tuesday.

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The government was shaken Monday by the resignation of Foreign Secretary Lord Carrington and his top two ministers at the Foreign Office. They accepted responsibility for what Lord Carrington called a humiliating affront to Britain.

Francis Pym, who was named to

replace Lord Carrington, himself came under fire Tuesday. John Gilbert, a former Labor minister, accused him of misleading Parliament last Friday when Mr. Pym said the government still had no word of the Argentine takeovers.

Mr. Gilbert said he was at NATO headquarters in Brussels at the same time and learned from a Defense Ministry report from London that Argentine forces had taken over the Falklands.

As the political storm gathered over Mr. Thatcher, the assault ship Fearless sailed from Britain to join the 36-vessel naval force headed for the Falklands. It is the biggest fleet Britain has assembled since World War II.

Argentine forces stormed ashore last Friday to take the Falklands, a British colony since 1833 that Argentina also claims. Argentina since has sent reinforcements to back the invasion forces.

Official sources in Argentina said civil defense committees in Argentina's southern coastal towns

were preparing for possible attack by the British fleet. But a radio station in Buenos Aires assured listeners on Tuesday there was no need to worry about a possible British naval bombardment of the capital or other coastal towns.

It said any British attack on the mainland would allow the government to invoke a 1947 pan-American treaty providing for collective self-defense should any signatory be attacked by a non-treaty member.

Following a meeting with officials from the Foreign Relations Ministry, Interior Minister Gen. Alfredo Saint-Jean told journalists that "the coming hours are hours of negotiation, but they may also be hard hours requiring tempered firmness, and we have that." The Associated Press reported from Buenos Aires. He also said if the Falklands are attacked by Britain, "we will defend our territory at any cost."

With the potential for armed conflict between the two countries increasing, a growing number of British citizens were preparing to leave Argentina on Tuesday.

In the first significant sign of anti-British feeling since the seizure of the Falklands, an anonymous telephone caller warned the English-language Buenos Aires Herald on Monday night that "for each British soldier that comes ashore, three British citizens will be killed."

The Foreign Ministry instructed Argentine nationals Monday not

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## Poles, Western Banks Reschedule 1981 Debt

By Donald Nordberg  
Reuters

FRANKFURT — Poland signed an agreement Tuesday to reschedule \$2.4 billion that it owed Western banks last year, clearing the way for early negotiations on its 1982 commercial debts.

The signing, three years late, ended nearly a year of delicate negotiations to prevent a loan default and give Warsaw a breathing space on its total Western debts of \$26 billion. The negotiations to defer

repayments were interrupted by the declaration of martial law in December.

While the accord cleared a major obstacle in Poland's tangled financial affairs with the West, bankers said several more hurdles lie ahead, including the \$10.4 billion falling due for repayment to governments and banks this year.

Dresdner Bank, the West German bank serving as international agent for the 1981 rescheduling, said in a brief statement after the signing that negotiations on Polish debt due to banks this year should begin as soon as possible.

But the statement spoke of rescheduling only the principal amount due, leaving Poland the task of finding all the necessary interest payments.

The agreement was signed for Poland by Deputy Finance Minister Witold Bien, the president of the Handlowy Foreign Trade Bank, Marian Minkiewicz, and representatives of 20 banks.

### Seven-Year Delay

The agreement delays for seven years repayment of some 95 percent of the money Poland owed to about 500 Western banks in the last nine months of 1981. The remaining 5 percent, some \$126 million, will have to be paid back this year in three installments due on May 15, Aug. 15 and Nov. 15. The interest rate on the rescheduling has been set at 1.75 percent over the London interbank offered rate.

Bankers said Poland would have to meet the interest payments due this year on the amount rescheduled, which will come to more than \$50 million, and must pay the bank a fee of \$24 million for the rescheduling agreement itself.

For the Polish economy, keeping up with these payments will be difficult, and bankers said that it was only with the material and financial aid of the Soviet Union that Poland managed to make up its arrears from last year.

At the time martial law was declared in Poland on Dec. 13, Poland still owed Western banks about \$500 million in interest due for 1981, but gradually whittled down the sum over the last four months.

The 20 banks represented at the signing were the members of the task force which worked out details on behalf of the other Western creditors.

So far no payments on any of the \$10.4 billion in debt due this year have been met, the bankers said. Last month a Polish newspaper said the country could only meet \$2.2 billion from its own resources.

### U.S. Pressure

While banks are prepared to negotiate, the prospects for future delays on repayment of government-guaranteed debt remain an open question, bankers said.

In early January major Western countries, under pressure from the United States, said they would not negotiate on rescheduling the debt due this year as long as Poland was under a state of emergency following the military crackdown on liberal elements.

Some Frankfurt bankers say they sense that the attitudes of some Western governments towards the Polish debt issue are now softening, and that Washington has been urged to relent.

In recent article published in Warsaw, a leading Polish economist forecast that Poland's debts to the West could almost double in the next four years as a result of rescheduling agreements like the one signed Tuesday and hoped-for new loans.

The forecast, made by Zygmunt Szeliga, said "no man now doubts it may squander the rescheduling agreement." Every politician and economist in Poland knows that in the next three or four years Poland's debts must inevitably grow to \$40, \$45 or even \$50 billion overall in external and socialist countries," he said.

## Galtieri: In Triumph, a Few Echoes of Peron

By Edward Schumacher  
New York Times Service

BUENOS AIRES — As he stood on the balcony of the pink presidential palace, tens of thousands of delirious Argentines below chanted his name.

Lt. Gen. Leopoldo Fortunato Galtieri, the president of Argentina, beamed back and, in a pool of light, turned from side to side, presenting himself with hands outstretched to the crowd.

The scene Friday in the Plaza de Mayo as the crowd celebrated Argentina's seizure of the Falkland Islands was awesome. It was reminiscent of another time and another man, Gen. Juan Domingo Peron, who with his wife, Eva, filled that same plaza with admirers 30 years ago.

As if on cue, Julio Romero, a former Peronist governor of the province of Corrientes, returned from two years in exile in Para-

guay on Sunday and praised Gen. Galtieri as a man who could unite the "armed forces and people as Juan Peron did."

Political leaders here say it is an exaggeration, but most agree that Gen. Galtieri, in leading the country into a moment of national glory, has greatly enhanced his political power and future.

Gen. Galtieri, 55, assumed the presidency in December in a palace coup that overthrew his former patron, Roberto Eduardo Viola, a retired general. Gen. Galtieri has retained the post of army commander in chief until at least his scheduled retirement at the end of the year, although his presidential term does not end until 1984.

The three-man junta of army, air force and navy chiefs is the final arbiter of power, but as both army chief and president Gen. Galtieri is clearly the leader.

He was born July 15, 1926, into a working-class family in Caseros

outside Buenos Aires, the second of three children.

After attending the Argentine military academy, where he studied civil engineering, he moved steadily up through the system of military posts and schools. In 1960 he spent six months at Fort Belvoir, Va., in an advanced course for army engineers.

Gen. Galtieri was active in the military's campaign against leftist guerrillas in the mid-1970s. He strongly defends the military's actions, which resulted in the disappearance of more than 6,000 people, though it is unclear what role he played in the disappearances.

Opposition analysts, however, see a sophisticated analyst, preferring to see the world about him in black and white, and making quick decisions. But since taking power he has displayed a shrewdness that has surprised both friends and foes.

Despite his strong pro-American

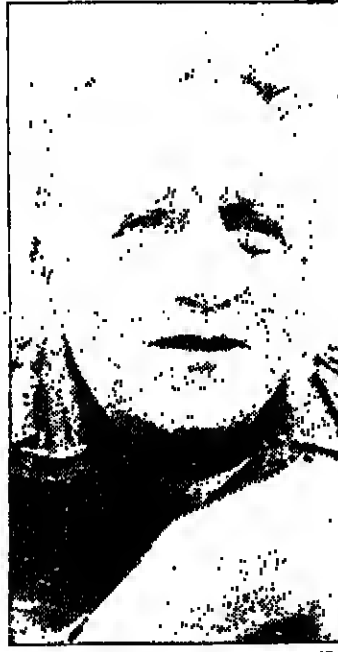
stance, he rejected President Reagan's personal appeal to call off the invasion of the Falklands.

The success of the seizure has for the moment also diverted people's attention from one of the worst recessions in Argentina's history.

The president's closest advisers and friends are military men, but he has been reaching out to civilian political leaders, raising speculation that he aspires to be, like Peron, a civilian leader as well as a military one.

Angel Robledo, a Peronist party leader who was close to Peron, discounted the comparisons Monday in an interview. "A Peron is the result of the circumstances coming together with the man," he said, "and this isn't the moment."

The people want the military out, he said, but he was grudgingly conceding that admiration of Gen. Galtieri has been rising since the seizure of the Falklands.



Leopoldo Fortunato Galtieri

## U.S. Experts Say British Navy Would Have Edge in Fight

By George C. Wilson  
Washington Post Service

WASHINGTON — Argentina and Britain are going into a military confrontation over the Falkland Islands like two blindfolded boxers, according to U.S. naval experts.

Argentina has the advantage, in boxing terms, of the longer reach, they said Monday, while Britain stands the best chance of shaking off its hindfold and landing lethal punches, given enough time.

Argentina's longer reach comes mainly from U.S.-built A-4 Skyhawk fighter-bombers that can take 3,000 pounds (1,360 kilograms) of bombs 700 miles (1,120 kilometers) and return either to the nation's single aircraft carrier or to an airfield.

Although the two British aircraft carriers being sent to the Falklands — the Invincible and the Hermes — are carrying the more modern Harrier jump-jets,

those planes have a combat radius of only about 100 miles when loaded with bombs. So the single Argentine carrier, the 25th of May, could stay out of bombing range of the Harriers while launching A-4 Skyhawks against British ships.

### Double Advantage

This longer reach provided by the A-4s would be doubly advantageous if the Argentine military could use the airfield at Stanley, East Falkland, to handle attack planes. The A-4s then could attack the British flotilla from the Falklands, from the sea, and perhaps even from the Argentine mainland, depending on how close the ships come to land.

The Argentine Navy has 14 A-4 Skyhawks aboard its carrier and 68 on land under air force control. The air force also is believed to have nine Canberra bombers and 21 Mirage-3 fighters for aerial dog-fights.

If the Argentine planes managed to sink or disable the British carriers, it would end the Royal Navy's chances of reversing the Falklands takeover. U.S. naval experts agree. But the British are more experienced than the Argentines at hiding their ships from hunter aircraft, the experts emphasized.

"The real key is experience," said one of the U.S. Navy's most respected sea dogs, Adm. I.C. Kidd, a former commander of the Atlantic Fleet who retired in 1978 after a long acquaintance with British and Argentine naval leaders. "You've got to find what you're looking for; you've got to get those eyes out in front because it isn't easy to find ships on the ocean. The question becomes, what does each side have to find the other?"

Here, the experts said, the advantage swings to the British, especially if they do as expected and fly the Nimrod, their equivalent of the U.S. AWACS radar plane, to

their South Atlantic island of Ascension. From Ascension, Nimrod planes could help guard the British task force and perhaps find Argentine ships and submarines.

Adm. Kidd acknowledged that the British would be trying to operate at the end of a 7,300-mile-long unhindered cord — the distance between Britain and the Falklands — and that operating from Ascension would only cut that distance in half.

### Better Eyes and Ears

Even so, he said, "on the basis of operational experience, the British Navy is in a different category" from the Argentine Navy. But he said the risks for both are so high that if he were involved, "I'd be praying for a breakthrough in diplomacy."

Although the Argentine Navy has some anti-submarine warfare capability, the British have the better eyes and ears in that depart-

ment, ton, as well as more sophisticated equipment for finding surface ships.

Retired Adm. Elmo R. Zumwalt Jr., chief of naval operations from 1970 to 1974, said Prime Minister Margaret Thatcher risks a debacle if she opts for war. But he put the odds of the British winning at 55 to 45 in their favor, primarily because of the experience and cunning of British Navy commanders.

If it came to war and he were the British commander, Adm. Zumwalt said, he first would go all-out to find and sink the Argentine carrier, perhaps with the nuclear-powered attack submarine Superb; he would blockade the Falklands to keep ammunition and fuel from reaching the Argentine invasion force there; consider landing marines at night by helicopter at a remote island of the Falklands; and build a temporary airstrip for strike fighters, World War II style.

## Resentment in U.S. Toward Japan Appears to Increase

By Robert Lindsey  
New York Times Service

NEW YORK — In a reversal of a postwar trend, resentment of the Japanese appears to be growing among Americans.

Interviews last week in several communities around the United States and a new poll of public opinion commissioned by NHK, the Japanese television network, indicate that there is still a deep reservoir of admiration in the United States for the Japanese people as well as respect for Japan's industrial prowess.

But the interviews and the results of the poll indicate that support has declined noticeably in the last year, largely as a result of perceptions that trade between Japan and the United States has become a one-way street, unfairly destroying American jobs and contributing to the current recession.

### U.S. Self-Doubt

There are indications that the increasing success of Japan in a wide range of industries, and the looming presence of other Asian industrial competitors such as Taiwan and South Korea, are causing growing uneasiness and self-doubt about longtime U.S. dominance of many industries.

The antagonism is most apparent in the

industrial Midwest, where the importing of Japanese automobiles has been blamed for the loss of as many as 250,000 jobs.

There are also indications of increasing anti-Japanese sentiment elsewhere, including sections of the Farm Belt, where Japanese import quotas on beef and other agricultural products are under attack.

### 'Growing Frustration'

In California, some executives in the electronics industry have accused the Japanese of pirating concepts for advanced integrated circuits, and farmers contend that they suffered huge losses because of unreasonable regulations on imports of citrus fruits from the state was infested by Mediterranean fruit flies last year.

And in a few suburban communities around the United States, such as Fort Lee, N.J., and Palos Verdes, Calif., where many Japanese executives have congregated while serving Japanese companies, some of them say they feel that they face racism and discrimination.

"There is no doubt that there is growing frustration, anger and what you would call Japan — not so much in New York, but in Washington and Detroit and the steel towns," said David MacEachron, president of the Japan Society, a nonprofit organiza-

tion in New York City that seeks to further cultural, personal and economic ties between the United States and Japan.

"I think it could subside rather quickly," he said of the resentment, if the United States could solve some of its economic problems. It would also help, he said, if Japan took more realistic steps to reduce its trade surplus of \$16 billion a year with the United States and if Americans become convinced that Japanese leaders are sincere when they say they want to narrow the surplus. Many Americans are not convinced of that now.

Concern that the United States is in the grip of a new atmosphere of anti-Japanese sentiment has lately preoccupied much of the news media in Japan.

### National Opinion Poll

Extensive coverage has been given to congressional hearings on the problems of the automobile industry in the United States, the Japanese-American trade imbalance and what are taken as official and unofficial slights toward Japan.

A national opinion poll conducted by telephone for NHK last week by Potomac Associates, a Washington research organization, using the facilities of the Gallup Or-

ganization of Princeton, N.J., confirmed that in the last year there has been a decline in the number of Americans who hold a favorable opinion of Japan.

"It represents a break in what had been a steady increase in the levels of positive ratings in the past," said William Watts, president of Potomac Associates. He said the researchers also found that support for legislation to limit Japanese imports was growing in the United States.

But he said there was no indication that Americans in general are "trying to make Japan a scapegoat" for U.S. economic problems. Indeed, he said, most respondents attributed U.S. troubles more to reduced productivity and other domestic problems than to Japanese policies.

The latest poll indicated that 63 percent of Americans had a favorable attitude toward Japan, while 29 percent had an unfavorable attitude. In a 1980 poll, 84 percent looked favorably on the Japanese and 12 percent had negative feelings, and in a 1972 poll, 72 percent held favorable views and 17 percent held unfavorable views.

However, Mr. Watts emphasized that results of the current survey were not directly comparable to earlier polls, which were based on longer, in-person interviews.

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### U.S. Budget

President Reagan and House Speaker O'Neill signaled strongly for the first time that negotiations aimed at reducing the 1983 budget deficit may succeed. Page 3.



## Cuban Official Says Havana Is Ready for Broad Talks With U.S.

By Leslie H. Gelb  
New York Times Service

HAVANA — Until recently, Cuba and the United States bore equal responsibility for the present atmosphere of confrontation, according to a senior Cuban official. But he said his government was now ready for wide-ranging negotiations and agreements on "mutual restraint" with Washington.

Apparently in an effort to achieve a major breakthrough in Cuban-American relations, the official acknowledged past arms aid to Nicaragua and to Salvadoran guerrillas but also insisted that the supply had ended.

Previously, Cuba had been unwilling to admit or had denied providing arms aid to the Salvadoran guerrillas and had said nothing about stopping transshipments of arms to El Salvador or stopping the arms flow to Nicaragua. The official said these activities had stopped within the last few months.

The senior official and others, speaking to a group of scholars and foreign-policy experts gathered in Havana over the weekend, did not hide their concern about the possibility that the United States might use force against Cuba. They spoke on the condition that they not be named.

### Talks at a Standstill

The senior official indicated that private talks with the Reagan administration had reached a standstill and that the Cuban position was not adequately understood by the administration or the American public.

The official said that Cuba would not abandon the right to supply arms and support revolutions, as he maintained the Reagan administration insisted that it do, but he claimed that as a practical matter Havana was now exercising self-restraint and was prepared to play a positive role in settling disputes and bringing about "democratic change."

He said Cuba would be willing to negotiate foreign policy questions with the United States "in a multilateral context" and without first normalizing relations. Previously, in public at least, Havana had said that normalization of relations and a lifting of the U.S. economic embargo were necessary before such negotiations could be held.

Perhaps to lay the groundwork for a better dialogue with the United States, the official indicated disapproval of the Soviet presence in Afghanistan and said that the situation in Poland should be resolved by the Polish people themselves. Responding to a question on Afghanistan, he said Cuba had been "consistently working for a political solution."

He also insisted that Moscow itself was not prepared to damage relations with Washington by trying to gain "an asset" in El Salvador.

Several themes ran through the official's presentation and his answers to questions.

• Cuba feels confident about its own future, sees itself playing an important role in promoting world peace and economic development, and with this in mind, is ready for a "relative accommodation" with the United States.

• Cuba will not compromise its principles, rights and support for revolution, but it is prepared to negotiate practical arrangements for mutual restraint.

• Latin America as a whole is not ripe for Socialism, and President Fidel Castro therefore is willing to promote "democratic change" in the region.

• While Havana will always maintain "Socialist solidarity" with Moscow, it pursues an independent foreign policy and does not want to be a victim of East-West confrontation.

Until recently, the official said, both the United States and Cuba "were acting in a way that was leading to an unavoidable confrontation."

"We are convinced," he added, "that an important part of the differences results from misunderstanding, perhaps mutual misunderstanding."

He acknowledged that Cuba had been providing what he called material aid to Salvadoran guerrillas, but insisted that this had stopped 14 months ago. And he said that Cuba had also ceased transshipping arms from other countries to the guerrillas in recent months.

He said nothing about continued Cuban training of Nicaraguan forces and Salvadoran guerrillas or about what the Reagan administration says is Cuba's involvement in the command and control of the Salvadoran guerrillas.

As for Cuban arms aid to Nicaragua, the official insisted that this had stopped several months ago since, he said, the Nicaraguans already had enough arms. He maintained that the Reagan administration knew who was really supplying the arms, but would not say so.

The United States has told us they consider an end to our aid to Salvador as a prerequisite to future normalization of relations," he said. "We do not renounce the right to send arms to the guerrillas in El Salvador, but we have not exercised this right for over a year."

He said Cuba was also ready for discussions with the United States on issues affecting both countries, including U.S. overflight of Cuba, the U.S. base in Guantánamo and settlement of American financial claims against Cuba.



A Salvadoran soldier walks past the body of a villager killed in the hill area north of the capital.

## Salvador Leaders Confer Intensely On Forming a New Government

By Stanley Meisler  
Los Angeles Times Service

SAN SALVADOR — Despite the approach of Easter, usually the quietest time of the year for politics in a Latin American country, Salvadoran political leaders have been conferring intensely and privately — as well as posturing a good deal in public — in their attempt to form a new government that will be acceptable both to Salvadoran voters and to the United States.

One of the key issues facing the newly elected constituent assembly is the naming of a provisional president. The politicians must also decide on the form of the provisional government: whether the president heads a government along the lines of that in the United States or whether, as is the case in El Salvador now, he heads a junta that includes military officers.

The key to the problem lies in the interpretation of the election results of March 28. The Christian Democrats, led by José Napoleón Duarte, the president of the current junta, won 40 percent of the vote and 24 of the 60 seats in the constituent assembly. The Christian Democrats insist that their plurality gives them the mandate to dominate any provisional government. But four rightist parties, who together won 60 percent of the votes and 36 seats, say that the

mandate is theirs. In any case, the rightists say, they would never accept another government led by Mr. Duarte.

The politicians, in private telephone calls and small, unpublished meetings, seem to be trying to negotiate their way out of this impasse. It is not clear how long this will take. Some analysts expect a solution this week. But the constituent assembly does not have to meet until after Easter.

### Problem of Image

While negotiating since election day, the political leaders, especially Mr. Duarte and Roberto D'Aubuisson of the extreme right National Republican Alliance (known by its Spanish acronym ARENA), have been making public statements evidently designed both to strengthen their positions in private and to enhance their image in the United States.

U.S. Ambassador Deane R. Hinton has reportedly already told the leaders of the rightist parties that the United States will never accept a coalition of their parties alone. Such a coalition would therefore jeopardize the American economic and military aid sorely needed by the El Salvador government as it fights a guerrilla war.

Since outsiders do not know what is going on in private, the public statements of the politicians

sometimes seem puzzling. But Mr. D'Aubuisson, a retired major who is often described as a man who believes that violence must be met by violence, clearly seemed intent on striking a statesmanlike pose Sunday night when he called a news conference after the assassination of an elected ARENA deputy.

The deputy, David Joaquín Quinteros, 42, of Cabanas province, had been taken from his car Saturday night, shot to death and dumped in the outskirts of San Salvador.

After paying his respects at a wake at party headquarters, Mr. D'Aubuisson said, "We have asked all members of our party and all the people of El Salvador to remain calm."

Mr. D'Aubuisson did imply that Mr. Duarte and the military members of the junta bore some responsibility. If only for failing to prevent such violence. But his rhetoric was relatively mild. "We must demand," he said, "that the junta, in its last few days, do everything that it can within its power to stop situations like this."

"We are not accusing anyone as yet," he went on. "But we do wish to tell everyone that if they want to frustrate the sovereign will of the people, they will not be able to do it. This murder is especially painful because it is we who are always accused of being violent."

In the public pronouncements of Mr. Duarte and other Christian Democrats, two themes are clear: No government can function without them, and only they can maintain the international respect and support needed to pursue the war against the guerrillas. But it is not clear whether such statements are based on confidence, desperation or just determination.

## Teamsters Chief Shows Interest in New AFL-CIO Ties

Washington Post Service

WASHINGTON — In a surprise move, Teamsters President Roy L. Williams said he will meet soon with Lane Kirkland, the AFL-CIO president, to discuss possible reestablishment of ties with the labor federation. The federation expelled the Teamsters in 1957 because Teamsters officials refused to cooperate with an AFL-CIO investigation of union corruption charges.

"Lane and I are going to sit down and talk about it," Mr. Williams told reporters Monday after an impromptu appearance and speech before a conference here of the AFL-CIO Building and Construction Trades Department. He said the talks would take place in two or three weeks.

It was the first time since he took office last June that he has publicly expressed interest in reestablishing the Teamsters, the nation's largest labor union, with the AFL-CIO. Mr. Williams' predecessor, Frank E. Fitzsimmons, had discussed reestablishment with Mr. Kirkland, but they reached no agreement before Mr. Fitzsimmons' death last May.

Murray Seeger, Mr. Kirkland's chief spokesman, said Mr. Williams "had not contacted us before on the question of reestablishment." But he said Mr. Kirkland believed "in broadening the unity of the trade union movement" by bringing all unions under one roof.

Mr. Seeger said any reestablishment talks might be delayed by the fact that Mr. Williams goes on trial in about three weeks on federal charges of bribery and conspiracy, stemming from allegations that he tried to influence votes on a trucking deregulation bill.

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## British Governor Tells Of Battle in Falklands And Vows to Return

By Leonard Downie Jr.  
Washington Post Service

LONDON — No reminder of the blow British pride has suffered so far away was as vivid as the return here of the deposed British colonial governor of the Falkland Islands and most of the 80 Royal Marines who he said fought fiercely against overwhelming odds Friday morning.

At a crowded news conference Monday, Rex Hunt, a short, dapper man with an easy smile, insisted that he was still governor of the Falklands and would return after the Argentine forces were driven off to celebrate next year the islands' 150th anniversary under the British flag.

He angrily denounced the initial British reports that there was little resistance to the Argentine invasion.

### 'Very Serious' Fighting

Mr. Hunt described in detail the "very serious" fighting when the marines under his command tried to repel the invaders. He said 6,450 rounds of small-arms ammunition and 14 rockets were fired at Argentine troops who stormed Port Stanley, the islands' major town, from several directions.

Mr. Hunt was flanked at the news conference by two officers, Maj. Gareth Noot and Maj. Mike Norman, who said the small Marine force they commanded had killed at least five Argentine soldiers, wounded 17 others, destroyed an armored car that had 10 soldiers inside "who never resurfaced," and captured three prisoners.

The officers said the casualties were much higher than the Argentinians.

## Thatcher Refuses to Resign In Dispute Over Falklands

(Continued from Page 1)

to travel to Britain except in cases of urgent need. Britain had issued a similar call to its citizens.

Though Mrs. Thatcher insisted she would not step down, David Steel, Conservative Party leader, put his party on alert in case of an early election.

Labor members jeered and interrupted Mrs. Thatcher during a heated 15-minute question time in the House of Commons. But she was greeted with cheers from her own Conservative benches that were the loudest since she was elected in May, 1979.

Mrs. Thatcher rejected assertions that the government had been alerted by intelligence sources late last month that Argentina planned to attack the Falklands, which lie about 400 miles (640 kilometers) off Argentina's east coast. She was adamant that she did not know the precise nature of the threat until last Wednesday, two days before the islands were seized.

Two London newspapers reported Tuesday that secret Argentine plans to capture the islands had been passed to Britain well before the attack.

### Import Ban

Mrs. Thatcher's ban on imports from Argentina, which became effective at midnight Tuesday, follows a freeze imposed Saturday on Argentine financial assets in Britain. The ban mainly will affect beef, but is not expected to cause any shortages.

In 1980, imports from Argentina were valued at £114 million (\$199 million), a fraction of Britain's total imports of £46.5 billion.

In Washington, Secretary of State Alexander M. Haig Jr. called in the British and Argentine ambassadors Tuesday as the Reagan administration sought ways to defuse the crisis.

## Suzuki Denies Promise to U.S. On Sea Defense

United Press International

TOKYO — Premier Zenko Suzuki has denied that he promised the United States that his country would guard the Pacific sea-lanes 1,000 miles from its mainland, parliamentary sources said Tuesday.

"I did not go all the way to America to pledge to safeguard the 1,000-mile-long sea-lanes," Mr. Suzuki told the members of the Diet (parliament) Monday.

In his first meeting with President Reagan last May, Mr. Suzuki promised "even greater efforts to build up Japan's defense capabilities." After the meeting, the Japanese leader told Washington's National Press Club that Japan would "build up military strength to take over the defense of the sea-lanes" from the United States.

The newspaper Yomiuri Shinbun reported separately Tuesday that former U.S. Defense Secretary Harold Brown said in an interview that the United States wants Japan to assume a greater part in its own defense.

But "only the United States has the nuclear deterrent and ability to defend areas outside of Japan and only the United States can defend the sea-lanes for all materials imported to Japan," Mr. Brown was quoted as saying in the Monday interview.

## PLO Embassy on Sri Lanka

Reuters

COLOMBO, Sri Lanka — Sri Lanka has decided to grant full embassy status to the Palestine Liberation Organization, the Foreign Ministry said Tuesday. The mission in Colombo has previously been at a representative level.



Rex Hunt

continued. "I instructed him to leave forthwith." The general refused and said Mr. Hunt and his marines would be leaving instead, on an Argentine military aircraft. "I said we hadn't packed or anything," Mr. Hunt recalled. "We didn't know they were coming."

"I elected to go to the airport in ceremonial uniform in the taxi," he recalled, referring to the distinctive black English cab that he used as his official car. His driver put a small British flag on it, as usual, "and said he would throttle any Argie who tried to take it off."

It stayed on, fluttering from its place of honor on the hood until Mr. Hunt and his wife reached the airport. He insisted on recording a farewell radio message to the islanders. Journalists who were removed later from Port Stanley said it was never broadcast.

"We let the islanders down," Mr. Hunt said somberly Monday. "They let down when we left. I saw them crying. They thought we wouldn't be back. But I intend to return. I am still governor of the Falkland Islands."

## Opposition In Argentina

(Continued from Page 1)

its failure to obtain the level of international support it expected. In particular, officials were surprised at the Soviet failure Saturday to veto a Security Council resolution calling for an Argentine withdrawal from the islands and at the lack of support for Argentina from non-aligned members of the council.

Although the governments of Venezuela, Peru and Uruguay have expressed support for Argentina's occupation, other Latin American powers appear to be hesitating. Chile, concerned about its own volatile border dispute with Argentina, has been quietly critical of the operation, while Brazil has opposed Argentina's use of force and has hinted that it might allow British warships to refuel in its ports.

As a result, Argentina has increasingly come to turn its hope for a successful end to the crisis to the United States, according to reports and sources in Buenos Aires. In the past year, both governments have sought actively to establish close relations, and Argentina, which has backed U.S. policy in Central America politically and with offers of arms, believes that the United States now should return the support, officials said.

Argentina appears to hope that the Reagan administration will be able to prevent fighting and encourage negotiations that will leave the Falklands in the hands of Argentina at least while talks go on.

### Canada Protests Seizure

OTTAWA (UPI) — Canada has strongly protested Argentina's seizure of the Falklands and has recalled its ambassador in Buenos Aires for urgent talks, the external affairs minister, Marc MacGuigan, said Monday.

### Australia Withdraws Envoy

CANBERRA (UPI) — Australia's ambassador to Argentina was recalled Tuesday for urgent talks on the Falklands situation.

### Japan Denies U.K. Request

TOKYO (UPI) — Japan has declined a British request that it impose sanctions against Argentina and expressed hope for a peaceful settlement, a Foreign Ministry official said Tuesday.

## WORLD NEWS BRIEFS

### Ecevit Called to Face Military Court

ANKARA — Former Turkish Premier Bulent Ecevit will face a military court on April 29 for writing an article that appeared in the West German magazine Der Spiegel last month, a military spokesman said here Tuesday.

Mr. Ecevit's lawyers said he faced up to nine months' imprisonment if convicted. The court ordered Mr. Ecevit to appear on suspicion that the magazine article violated a military decree banning former political leaders from publicly expressing political opinions, the spokesman said.

Mr. Ecevit has already spent 60 days in jail for violating the decree by speaking with foreign reporters.

### Arafat Appeals for End to Gulf War

KUWAIT — Yasser Arafat, the leader of the Palestine Liberation Organization, appealed Tuesday for an immediate end to the Iran-Iraq war and called for a confrontation with "international imperialism." "It is necessary to halt this war immediately and unify our efforts to confront the enemy, international imperialism and its ally Zionism," Mr. Arafat told a meeting of the nonaligned movement.

Mr. Arafat made his appeal before the foreign ministers of the warring Gulf states, who met for the first time since their war began in September, 1980. The foreign ministers of Iran and Iraq sat on opposite sides of the conference hall at the meeting of the 34 members of the Coordination Bureau and listened impassively to Mr. Arafat's appeal.

### Mexican Volcano Smoke Blocks Aid

PICHUCALCO, Mexico — A 30,000-foot pillar of ash-filled smoke spewed by the volcano El Chichonal again prevented the parachuting of food to 5,000 stranded villagers whom some officials now give little chance of survival.

"It's practically impossible for those people to still be alive," an army officer involved with relief operations said Monday. The three eruptions last week killed 21 persons and injured more than 500 in other areas. The villages on the slopes of the 4,340-foot volcano have been cut off since El Chichonal began erupting March 29 and blocked the mountain trails leading to them. Between eruptions, the volcano is sending up hot ashes continuously, blanketing the countryside for miles around. El Chichonal, part of the Sierra Madre range in southeast Mexico, is on the border between Tabasco and Chiapas states.

### Yugoslavia, Albania Sign Rail Accord

BELGRADE — Albania has reached an agreement with Yugoslavia on the construction of their first rail link, Yugoslav officials said Tuesday. The project, designed to connect the Albanian town of Shturi with the southern Yugoslav city of Titograd, had been agreed to in principle several years ago, but was suspended after Belgrade accused Tirana of fomenting Albanian nationalist riots in the southern Yugoslav province of Kosovo last year.

During talks in Tirana last week, government experts from the two countries signed an agreement providing for the start of construction of the Yugoslav section of the railroad, officials said. The line is due to become operational in January, 1984.

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Save with a shortie. In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. And you pay for the callback from the States

with dollars, not local currency, when you get your next home or office phone bill.

Save these other ways. Telephone Company Calling Card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

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## Haig Backs Power-Balance Policy In Rejecting Nuclear Arms Freeze

By Michael Getler  
Washington Post Service

WASHINGTON — In a rebuke to advocates of a nuclear weapons freeze or other shifts in strategy, Secretary of State Alexander M. Haig Jr. warned Tuesday that "the stakes are too great and the consequences of error too catastrophic" to scrap the time-tested policy of deterring attack through a balance of power "for a leap into the unknown."

A freeze on both Soviet and U.S. nuclear weapons as a step toward

reducing the arms buildup and reducing the risks of nuclear war is being urged by a group of senators and within a number of communities around the United States.

Mr. Haig, in a major address in Georgetown University's Center for Strategic and International Studies, said the administration was "sensitive to the concerns underlying this proposal."

But he stoutly defended the administration view that the safest and best way to ensure that nuclear war never occurs and ultimately to reduce the weapons on each side is to "maintain the military bal-

ance now being threatened by the Soviet buildup."

State Department officials said that Mr. Haig's speech was an attempt to counter the freeze movement and to launch his own preemptive strike at a proposal about to appear in Foreign Affairs Quarterly calling for the United States to renounce a policy of "first use" of nuclear weapons in Europe. The article is authored by four former top officials of four different administrations.

Mr. Haig held that "a freeze at current levels" of overall missile striking power "would perpetuate an unstable and unequal military balance" with Moscow. Referring to an array of Soviet long-range and intermediate-range missiles and bombers, Mr. Haig claimed a freeze now "would reward a decade of unilateral Soviet buildup and penalize the United States" for what he described as "a decade of unilateral restraint."

Actually, the big Soviet buildup in the 1970s followed a big American buildup of land-based and submarine-based missile forces in the 1960s.

Mr. Haig acknowledged that the United States had, during the period of American "restraint," introduced the new Trident missile-firing submarines and the air-launched Cruise missiles. And he also said deterrence "does not rest on a static comparison of the number and size of nuclear weapons... or on warhead numbers, but in a complex interaction of capabilities and vulnerabilities."

But his speech supported the contention that despite these U.S. measures, the "Soviet modernization efforts have far outstripped those of the West," and that the big new Soviet missiles had tipped the balance in an important way because they "now pose a serious and increasing threat to a large part" of the U.S. land-based missile force.

Mr. Haig rejected as "simply not true" the argument that the administration's defense and arms control policy is a plan to build up arms in order possibly to reduce them in subsequent negotiations with Moscow.

The secretary argued that it was only after Congress approved construction of U.S. anti-missile defense system, to offset one already started by the Russians, that Moscow agreed to negotiate limits on these systems in the early 1970s. He said that it was only after the North Atlantic Treaty Organization agreed to deploy new U.S. missiles in Europe that the Russians agreed to put their existing SS-20 missiles on the bargaining table at talks in Geneva.

Unilateral Freeze Urged

WASHINGTON (UPI) — Leaders of the European nuclear disarmament movement called Tuesday for a unilateral nuclear weapons freeze by the United States or the Soviet Union as a first step toward arms limitations.

A move by either side eventually could lead to a total end to production, testing and deployment of nuclear weapons and a negotiated reduction of forces, leaders of the U.S.-Europe Tour told a Capitol news conference.

"We urge the Soviet Union and the United States to implement an immediate freeze on production, testing and deployment of nuclear weapons," said Andreas Zumach, a representative of Action-Reconciliation, a West German anti-nuclear group. "This is a step which could well be taken unilaterally by either side."

The Rev. Volkmar Deile of Action-Reconciliation said the group, which completed a 15-day tour of 52 U.S. cities Tuesday, is "asking for a nuclear-free Europe in West and East Europe."

Rep. Edward J. Markey, Democrat of Massachusetts, co-sponsor of a resolution in the House calling for negotiations to end the nuclear buildup, said members of the anti-nuclear movement "aren't advocating unilateral disarmament."

Instead, he said, they are calling for negotiations to reduce the sizes of the U.S. and Soviet arsenals.

## Polish Ski Town Finds the Going Uphill Since Crackdown

By Michael Dobbs  
Washington Post Service

ZAKOPANE, Poland — Times are getting hard for Poland's "banana people," the derogatory term for the jet set. But, like everybody else in this fashionable ski resort, they are doing their best to forget the rigors of martial law.

Set at the foot of the High Tatra mountains, near the Czechoslovak border, Zakopane has the reputation of being Poland's winter capital. For the banana people, so called because of their access to imported bananas, it is also the place where they can show off their smart Western ski gear, join in the lively nightlife and indulge in wild drinking parties.

At least it was once. Since last December's military crackdown, Zakopane has become rather more staid. Because of the night curfew, the après-ski scene is strictly between 5 and 10 p.m. Anybody who wants to go up Mount Kasprovy, where the best skiing is, first has to get permission to visit "a border area."

That leaves strutting up and down the main street, but the shops are empty and, besides, these days many banana people are anxious not to draw atten-

## 'Banana People' Do Their Best to Keep Lights Burning

tion to themselves. Most settle for acquiring a serious suntan. The term "banana people" (bananowcy in Polish) originated during a xenophobic campaign in March, 1968. It was used to describe a privileged class able to purchase Western food and clothing. Winters in Zakopane were part of the banana people's lifestyle.

The phrase was not used during the 1970s, when Edward Giersek, then the Communist Party leader, held out a vision of affluence for everyone. Imported bananas no longer seemed quite so decadent. With hard currency flooding into the country on credit, even ordinary people were able to get hold of Western goods.

Now that Mr. Giersek's economic strategy has crashed and all that the new leadership has to offer is austerity, the lurid exploits of the banana people are once again attracting the attention of the official press. A favorite theme is in contrast "the arrogance and insolence of these dirty playboys" with "the hard service of our soldiers, the toil of

miners and steelworkers, the struggle of working people with everyday problems."

A recent article in the army newspaper was a good example of the genre. The paper described indignantly how a group of "well-fed" banana people had devoted their skiing holiday to the business of getting drunk. Armed with curfew passes, presumably purchased with bobes, they had roared around the ski resort in a white Mercedes at all hours of the night in search of girls and booze.

Punishment Urged

"These alcoholic nights and mornings full of bangers have nothing in common with the culture of resting in the mountains," the author complained. "Such disturbances of public order call for punishment."

The present season has proved such a disaster that Zakopane would probably welcome an influx of bananowcy, if only for the trickle-down effect on the local economy. It was not until travel restrictions imposed under martial law were eased at the begin-

ning of February that the first holiday-makers began to arrive.

In a cafe on the town's main street, a waitress came up to listen to a couple of Western visitors speaking English. "You're the first foreigners I've seen here this season," she marveled. "Usually, we get many more."

Despite Poland's Communist system, many of the smaller ski lifts in the hills around Zakopane are privately run. They are owned by sheep farmers who, at the outset of winter, don ski boots and windbreakers to become capitalist coteigners. None will accept another's lift passes.

The lift owners are doing badly this year, as are Zakopane housekeepers who earn extra cash by renting rooms to visitors.

With or without martial law, the crowds on Zakopane's main street are perhaps the most diverse group of people one could encounter anywhere. There are young skiers with packs on their backs, middle-aged Communist apparatchiks enjoying a break,

armed policemen in battle dress, grizzled old sheep farmers with round felt hats, thick white woolen breeches and embroidered jackets.

Plus, of course, a sprinkling of banana people distinguishable by their Polaroid sunglasses, fur coats, high-heeled boots and bored expressions, as if they really had been planning a holiday in St. Moritz but ended up in Zakopane by some ghastly mistake.

After a day or two in Zakopane, the attractions of Swiss ski resorts with their clockwork efficiency become apparent. Getting permission to ski on Kasprovy presents much more of a challenge than the skiing itself.

"It's easy," said an experienced skier in Warsaw beforehand. "All you have to do is show the police your passport and wait 24 hours for the permit to be granted. Then you get up at 6 a.m., get to the cable car by the time it opens at 7 and wait in line for three hours to go up the mountain."

"Alternatively, you can bribe the hotel doorman to do it all for you."

As it turns out, the doorman ploy no longer works either.

## Reagan Fires Attorney Who Tied Case to CIA

By Edward T. Pound  
New York Times Service

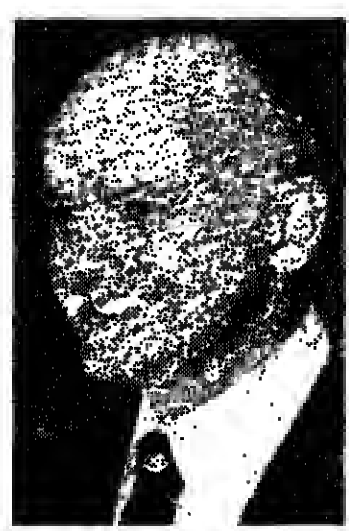
WASHINGTON — President Reagan has dismissed William H. Kennedy, the U.S. attorney in San Diego, for publicly confirming the identity of a key U.S. intelligence source who is the subject of a federal grand jury investigation.

Mr. Kennedy's dismissal was announced Monday night by a justice Department spokesman. The president acted after Mr. Kennedy, 51, refused to step down despite requests from the Justice Department. Last week, Attorney General William French Smith commended that Mr. Reagan dismiss Mr. Kennedy.

Mr. Kennedy, who began his term in office last fall, serves, like all U.S. attorneys, as an appointee of the president.

He angered his superiors in the justice Department when he told the San Diego Union last month that the Central Intelligence Agency had played a role in blocking prosecution of the intelligence source, Miguel Nasser Haro, in a major criminal case. Mr. Nasser is the former chief of Mexico's national police.

The newspaper quoted Mr. Kennedy as saying that since November, the Justice Department had been withholding approval to indict Mr. Nasser in an \$8-million case involving automobile theft because the intelligence agency had advised the department that Mr. Nasser was its "most important source in Mexico and Central America."



William H. Kennedy

According to U.S. officials, Mr. Nasser provided crucial intelligence information to the United States, some involving the activities of guerrilla leaders from El Salvador and Guatemala.

Administration officials said that under Mr. Nasser, the Mexican national police conducted joint operations with the CIA and passed on sensitive information about Soviet and Cuban assistance to guerrilla forces in El Salvador.

Mr. Nasser was appointed head of Mexico's national police in January, 1977. He left the post last January and his whereabouts are unknown.

## U.S. Plan Aims to Ensure Supplies of Strategic Minerals

By Dale Russakoff  
Washington Post Service

WASHINGTON — President Reagan has sent Congress a policy statement intended to stimulate the domestic mining industry and reduce U.S. dependence on "potentially unstable foreign sources" for minerals essential to the national defense.

The statement, which declares mineral development to be a key to a strong national defense and economic recovery, reflects a warning by Secretary of State Alexander M. Haig Jr. that the Soviet Union is waging a "resource war" to imperil key U.S. mineral supply lines.

It also reflects the controversial commitment by Interior Secretary James G. Watt to open public lands in development, despite stern opposition from across the political spectrum. The report, signed Monday, was drafted largely by a Cabinet council on natural resources headed by Mr. Watt.

Capacity to Sustain

The policy calls for opening vast areas of protected public lands to mineral development, and for the purchase of \$12.5 billion of strategic minerals such as bauxite, chromium, cobalt and tungsten for the national stockpile — enough to sustain the country for three years during a national emergency.

"The United States must implement materials and minerals policy programs to ensure that America's capacity to field and sustain fighting forces in the event of war or

national emergency is not curtailed by a shortage of critical raw materials," the National Materials and Minerals Program Plan states. The 33-page statement was distributed without comment by the White House.

It proposed no legislation or appropriations, instead invoking mineral development as a reason for continued pursuit of existing administrative policies, including regulatory relief, business tax cuts and elimination of barriers to deep-sea ocean mining. It also called for orienting government-financed research toward projects to increase mineral production.

Despite its lack of specifics, the minerals policy was greeted with praise by industry spokesmen and denunciations from conservation groups.

"Overall, it amounts to fabrication of a crisis to justify further attack on the nation's public land heritage and to attempt to justify sweetheart deals for the mineral industry," said Terry Sopher, who lobbies on public lands issues for the Wilderness Society.

"It hits the right areas," said Richard Seibert of the National Association of Manufacturers. "Our mineral resources have been treated much like petroleum prior to 1972. If we learn anything we should be wary of growing overly dependent on raw materials from foreign sources."

The plan also states that the administration will seek congressional approval to sell an estimated \$4.92 billion of stockpiled minerals that could exceed three-year levels. This includes tin, the main stockpiled mineral now being sold.

The policy statement directs the Federal Emergency Management Agency to decide which minerals to purchase, when to buy them and in what quantities.

The proposed \$12.5 billion of stockpile purchases would be deferred until later years when "the budget isn't in such terrible shape," according to Will Dore, an Interior Department official who participated in drafting the policy. "The policy is a sign of aware-

ness. By God, environmental policy isn't going to be the only concern when it affects minerals," Mr. Dore said.

The report notes that the United States now imports more than half its total supplies of 20 strategic minerals — a figure that conservation groups contend is a distortion of U.S. vulnerability.

Past Defense Department reports have pegged import dependence at more than 90 percent for chromium, cobalt, manganese, vanadium, columbium and other minerals essential to the aerospace and defense industry. Southern Africa and the Soviet Union control most present supplies of these minerals.

## Maritime Industry Is Disappointed in Reagan

By Thomas W. Lippman  
Washington Post Service

WASHINGTON — Throughout the U.S. maritime industry — shipbuilders, vessel operators, maritime unions, port officials — disappointment and anger at the Reagan administration have been building quietly for months.

The industry supported Mr. Reagan as he campaigned on a promise to revitalize the shipyards and the merchant fleet, but his administration still has not issued the comprehensive maritime policy he promised, and several of its policies have been perceived as detrimental to the maritime community.

The support of the transportation secretary, Drew Lewis, for

partial deregulation of the merchant fleet has not overcome strong criticism of the administration's announced intention to reduce maritime subsidies. As shipyard employment and cargo consignments continue to decline, the optimism that reigned a year ago has given way to a collective desperation, clearly evident at maritime gatherings, while ship operators and builders search for a formula to end the erosion of the industry.

Jesse Calhoun, head of the marine engineers' union, recently circulated proposals for revitalizing the merchant marine through cargo-preference regulations and tax incentives. The National Maritime Council sought newspaper publi-

ty to achieve what it called "the public awareness that is so desperately needed to save the industry," Mr. Calhoun said.

Several organizations are asking Congress to enact new cargo-preference legislation to increase the share of commerce carried by U.S.-flag vessels. The Shipbuilders Council sniped in print at the Maritime Administration and its new director, Harold Shear, a retired Navy admiral.

Much of the criticism was low-key and was expressed within the maritime fraternity. But last weekend, the disappointment finally provoked a strongly worded public denunciation of the president from a key figure in the industry.

Frank Drozak, president of the Seafarers International Union and head of the AFL-CIO's maritime trades division, said that "Franklin Roosevelt's New Deal is turning into Ronald Reagan's raw deal," and he said maritime workers should "support our friends and defeat our enemies" in November's congressional elections.

In a speech to an International Longshoremen's Association gathering in Houston, Mr. Drozak said, "The American people are getting fed up with the economic theories of the administration because they are not working and because they are producing one of the most pronounced economic crises that this nation has faced since the Great Depression."

## White House, Democrats Indicate A Budget Compromise Is Possible

By John M. Berry  
Washington Post Service

WASHINGTON — President Reagan and the speaker of the house, Thomas P. O'Neill Jr., have signaled strongly for the first time that negotiations aimed at reducing the 1983 budget deficit may succeed.

The key appeared to be acceptance by the president of some cuts in the large planned increases in military spending and by congressional Democrats of a cap on automatic cost-of-living increases in various benefit programs, including Social Security. Some new revenue-raising measures, such as an import fee, may also be part of the compromise.

"I look forward to progress being made as soon as they come back from the Easter recess," Mr. Reagan said, referring in Congress. That's why we are negotiating so fast.

On Capitol Hill, Rep. O'Neill, a Massachusetts Democrat, declared, "There's a possibility, there's a possibility we could work something out." Referring to Mr. Reagan, the speaker added, "I don't think he's as hardened on defense as he was." As far as he can determine, Rep. O'Neill added, the president is "still in cement" only in insisting that last year's business and personal income tax cuts be reduced.

Signs of Movement

The signs of movement came as administration officials acknowledged the budget outlook has worsened as the economy has remained weak. Commerce Secretary Malcolm Baldrige said that because of a weaker-than-expected economy and other developments, will take spending cuts of \$20 billion to \$30 billion on top of the

\$56 billion that Mr. Reagan proposed in February to hold the 1983 deficit to \$100 billion.

In other words, if no cuts are made and no taxes or other revenue-raising measures adopted, the 1983 deficit would be \$175 billion in \$185 billion. Observers said that a final budget compromise — if it can be reached as a result of the delicate three-way negotiations among the White House, the Republican-controlled Senate and the Democratic-controlled House — likely would still leave the deficit in the neighborhood of \$125 billion.

Mr. Reagan again said he believes the economy is "bottoming out of a recession," but he said he expected unemployment — already at a post-World War II record of 9 percent — to continue to increase for a while.

Mr. Baldrige, at a breakfast meeting, acknowledged that some large corporations could go bankrupt this year. "My instincts tell me there will be one or two," he said.

Murray L. Weidenbaum, chairman of the Council of Economic Advisers, also said the recession has hit bottom. "What we don't yet see are the signs of the upturn," he told the Washington Press Club. High interest rates are "the major sticking point," he added.

Neither the president nor Rep. O'Neill is participating in the direct negotiations among House and Senate leaders and James Baker 3d, a presidential aide. Four of the participants — the chairman of the Senate Budget Committee, Pete V. Domenici, Republican of New Mexico; the chairman of the Senate Finance Committee, Robert J. Dole, Republican of Kansas; the chairman of the House Ways

and Means Committee, Daniel Rostenkowski, Democrat of Illinois; and the chairman of the House Budget Committee, James R. Jones, Democrat of Oklahoma — all said Monday that they, too, are optimistic a compromise will be struck.

However, in Dallas at a meeting of the National Association of Broadcasters, they sounded a note of caution as well. "I'm optimistic. When you are negotiating, you have to be optimistic," Rep. Rostenkowski said. "The problem is that the principals are not in the room. The decisions will be made in the Oval Office and the speaker's office."

On this point, Mr. Reagan was asked if there would be a "summit meeting" with House and Senate leaders on the budget. "I think that will be a part of the procedure before we finally arrive at a budget," the president replied.

Rep. Domenici said a reduction in both cost-of-living increases for benefit programs and military spending increases "will be part of a package."

## Allbritton Gives Unions Deadline On News Job Cuts

New York Times Service

NEW YORK — Joe L. Allbritton, who wants to buy the Daily News, has told the newspaper's unions that they would have to give up 1,600 jobs — about a third of the payroll — and accept a wage freeze and a five-year, no-strike contract.

Mr. Allbritton, a financier who owned The Washington Star and who operates eight smaller newspapers, gave the 11 unions until April 25 to agree on ways to cut costs by \$85 million a year. The \$85 million compares with an acknowledged loss of \$11 million last year and estimated potential losses of \$50 million this year and next for the newspaper, the largest-selling general-interest daily in the United States.

Mr. Allbritton and his aides met with the union officers for two hours Monday. It was his first meeting with the labor leaders since the Tribune Co. of Chicago, the owner of the Daily News, announced last week that he had been given the option to take over the paper.

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## The Falklands Crisis...

What an odd juxtaposition: a British nuclear fleet has now set off for the far South Atlantic, to avenge an insult to 1,800 British shepherds and fishermen.

And what a lesson in the occasional futility of modern armament. Once this menacing armada arrives, what precisely is it to do? Blast the Falklands, and the Falklanders, into smithereens? Fortunately, the stately timetable of naval deployment gives diplomacy a chance. Almost certainly, that diplomacy will have to start in Washington.

As the resignation of Britain's Foreign Secretary Lord Carrington demonstrates, this is not simply a comic crisis. A peaceful outcome is hardly assured. Should those guns fire, serious U.S. interests could be at risk; many in the hemisphere will regard the United States as England's accomplice.

The Argentines defend their invasion as belated decolonization and they appeal for support from all countries, especially those in the Communist and Third World. Argentina has counted these islands as part of its national patrimony since it became independent, and notes that Britain's current title dates to an act of force in 1833.

London counters, persuasively, that virtually all the current inhabitants are of British descent and strongly desire British rule. The Argentine military has not only seized disputed territory, but holds some 1,800 unwilling hostages. The harsh terms decreed for their captivity — 60 days' imprisonment for any "irreverent act" toward Argentine "patriotic symbols" — show that Buenos Aires has no illusions about where Falklanders' loyalties lie.

By sending two-thirds of its fleet, Britain has raised the stakes. Prime Minister Thatcher could not have survived doing less. Americans remember the passions uncoiled when

its hostages were taken in Tehran and can appreciate how Britons feel. Their forces were caught off guard, and now the British Falklanders must suffer humiliation from one of the world's least appealing military dictatorships.

The ideal outcome is for Argentina to retreat, but that seems out of the question at the moment. Its uniformed leaders refuse, perhaps sensing that to step back could spell their own political doom. And they are betting that the British will not shell the very people they have come to protect. Still, given the temper in London, the room for maneuver is likely to be much reduced once the fleet arrives.

So diplomacy has a week or two of breathing room. Despite the Argentinean rebuff to President Reagan last week, the urgent American interest is to mediate a face-saving settlement. American credibility with both sides can help, but there is no sense pretending that Washington's relations with the two protagonists are symmetrical.

Argentina, while vocally anti-Communist, has repeatedly embarrassed Washington over both human rights and its willingness to trade with Moscow in the face of Soviet aggression. Beyond the national ties of common culture and enduring alliance, the current British government has established a special relationship with the Reagan administration, including its willingness to go out on Washington's limb over Central America.

In return, the Thatcher government is entitled to an all-out effort to persuade Argentina to back down. Other countries in the hemisphere denounce armed interventions regularly. Here is a chance for Washington to persuade them to act on their revulsion, isolate Argentina and force negotiation.

THE NEW YORK TIMES.

## ...And Other Nations

The Falklands affair is so different from the kinds of crises we have come to expect and fear. There is, for instance, not the slightest aspect of a bloody guerrilla struggle. The scene is a largely barren archipelago. There has been no repression, no injustice. There are no hills or urban warrens for the fewer than 2,000 victims to retreat to. Argentina took control within hours.

So many crisis scenarios anticipate a climax building within minutes, or at most a few days. Here the countdown has been stretched to an almost tedious couple of weeks. At the dock as the fleet departed Britain, there was a positively nostalgic quality: soldiers bravely sailing off to defend their country's honor, which unquestionably had been defiled. A carrier called *Invincible*, aboard it a prince: who would have been surprised to see, among those waving goodbye, Claudette Colbert?

Yet the costs of the crisis, for both Britain and Argentina, may mount. Britain's foreign secretary became the first casualty, resigning. His steady hand had given Mrs. Thatcher her single international triumph, in Zimbabwe. The prime minister, under fire already for her economic policies, now must carry the additional burden of what many

Britons see as an unspeakable affront to the national dignity. Whether the navy, having been restructured for other missions, can accomplish even its limited assignment of helping to restore British "administration" of the Falklands will be played out in slow motion in the South Atlantic.

The whole Argentinean nation seems to be on an emotional jag. But there must come some sort of a diplomatic reckoning, if not also a military one, and after that the people will demand that the government return to the crushing cares it intended to flee by seizing the "Malvinas."

The worst of it is the contribution the seizure makes to a condition of global anarchy. The use of unprovoked force to resolve a grievance treatable by other means can be contagious. When something like this happens, and the aggressor is not held suitably to account, a great deal is lost in terms of future action by countries that have no connection with the conflict in question. The United States has a large and strong interest in seeing British administration of the Falklands restored. So do many other nations, some of which recognize that interest and some of which do not.

THE WASHINGTON POST.

## Academia and Industry

The presidents of five universities recently met in closed session with the brass of 11 big corporations. The subject was the rules that should govern the relationships between universities and business, especially in the sizzling competition to commercialize new biotechnologies. Though the "elitist" composition of the academic delegation (Stanford, Harvard, Berkeley, MIT and Caltech — who else?) and the secrecy surrounding the session itself predictably attracted a good deal of irritated attention, the meeting's actual outcome — a short, unsigned document — hardly merited all the excitement.

There has been much talk and a lot of floundering around over the past several years concerning the need for new and closer relationships between academia and industry. Government wants industry to supplement its own declining support for research and development. Universities, caught between rising costs and declining support, are looking frantically for new sources of money, both from direct business investment in their research and from the commercialization of discoveries made by faculty members. Industry wants more access than the traditional one-day-a-week consulting relationship with academia's best brains. All three are aware that traditional American commercial dominance, especially in high-technology fields, is slipping, and that a principal cause is the country's slowness in getting the commercial practical good of its substantial research achievements.

But there are forces pulling strongly in the opposite direction. Closer relationships with

business inject a need for secrecy into the academic environment and can distort practices essential to successful research. Open and constant communication among scientists, prompt publication of results, freedom and encouragement to choose research projects solely for their intellectual interest, and a high priority assigned to teaching — these are among the elements that would be at risk.

The seemingly infinite possibilities for turning recombinant DNA into salable products has forced universities to face these pressures. Harvard debated and nearly approved a proposal to create its own company to be run by its faculty members. Stanford has struggled with conflicts over patent rights. MIT has accepted a \$125 million grant for a tightly affiliated biomedical research unit. Colleges and universities have been thrust into a new situation with little past experience and few precedents to draw on.

What the five university presidents produced last weekend does not really get to the problems. It is largely a statement of unexceptionable general principles, combined with hortatory language on the need to preserve "basic academic values" and so forth. It winds up, disappointingly, as "an agenda of issues" not of "attempted" answers. Perhaps that was inevitable, considering the narrowness of the group. But the effort should not stop here. Universities, and science as a whole, would benefit from an attempt to hammer out rules to guide the development of new relationships with business that will not endanger academic science.

THE WASHINGTON POST.

## April 7: From Our Pages of 75 and 50 Years Ago

### 1907: Strikebreakers Warned

HAMBURG — A terrorist circular of a decidedly Anarchist description was distributed on board the ships on which the British strikebreakers are quartered, warning that in the next few days one of the ships will be blown up. It runs: "For several weeks the Hamburg longshoremen have been at war with the capitalist murderers and the robbers of millions. Hitherto the dockers have kept quiet, but the fact that thousands of strikebreakers could be found to strengthen the backbone of these ship-owning scoundrels has prevented the locked-out men from getting justice. A terrible example will be made to show the German laboring classes the uselessness of the attitude of the Social Democratic Trade Union."

### 1907: Prehistoric Evidence Found

WASHINGTON — Evidence of a prehistoric culture indicating that man in small groups filtered into America from northeastern Asia over a period of thousands of years has been reported here by Dr. Hrdlicka, curator of physical anthropology of the Smithsonian Institution. The culture that Dr. Hrdlicka discovered from material taken from Kodiak island excavations may be a direct antecedent of the movements of the Mayas, Incas, Aztec and other American Indians. Some of the artifacts contain elements strikingly suggestive of those that were developed in Central America and Yucatan. A center of population just south of the Alaska peninsula had not been suspected hitherto.

# Iran Preparing to Make a Theological Invasion

By Amir Tabari

PARIS — Heavily armed by their recent military victories against Iraq, Iran's religious rulers are preparing a massive ideological invasion of Muslim countries. Thousands of zealots from more than 20 Islamic countries are training in various Iranian cities to become "messengers of true Islam."

They are called "good Muslims," as opposed to bad ones, and are taught to be prepared to kill or to die in the pursuit of their mission. Their message, based on Ayatollah Khomeini's teachings, could split the Muslim world, leading to a new schism with incalculable consequences.

Islam's greatest schism, that divided the faithful into Sunnis and Shiites for some 12 centuries, came to a theoretical end in 1949 when Sheikh Shaltut, the then-rector of the al-Azhar Mosque in Cairo and the Sunni's highest theological authority, signed his historic *fatwa* or edict, declaring Shiism as a legitimate version of Islam.

A Center for Convergence was set up under Iranian theologian Ayatollah Mohammed-Taqi Qomi, virtually ending centuries of feuds that often led to pogroms and wars pitting Sunni against Shiite.

Now many Sunni theologians want the famous Shaltut edict revoked so that the Shiites could, once again, be considered as heretics and excluded from the international Islamic community.

Last month, Tehran's mullahs held a seminar on "the ideal Islamic government" and interpreted the 1949 edict to mean that the Sunnis had, in fact, accepted the Shiite view and should now accept its logical consequences.

Sunni leaders have reacted angrily, accusing the mullahs of Tehran of "creating a

new religion in the name of Islam." The leader of the Muslim Brotherhood, Sheikh Omar al-Telmissani, only recently released from prison in Cairo, has rejected Khomeini's claim of representing the only "true version of Islam." Al-Telmissani's assertion that the Shiites differed "from Islam, even on principle," is seen in Tehran as an opening salvo in a coming Shiite-Sunni doctrinal war.

Differences between the two versions of Islam go far beyond mere form. Sunni Islam has only three principles: belief in the oneness of God, belief in the legitimacy of Mohammed's mission and belief in the Day of Judgment.

Shiite Islam, accepting these three principles, adds two of its own: belief in Allah's justice and the concept of "imamah."

Khomeini is using the principle of imamah to back his claim of ruling over a universal Islamic state, uniting the world's estimated 900 million Muslims.

According to Khomeini, power, being exclusively divine, cannot be exercised by mere mortals without the blessing of the Almighty. The City of God should be created in this world. Allah's justice must be meted out here and now. Mortal man resembles a child who is in need of a wali (custodian). This wali is the imam (commander of the faithful) who exercises all power on behalf of Allah.

As imam, Khomeini considers himself the only source of legitimacy and legality in "administering the affairs of the faithful." All other governments of Muslim countries are "satanic, illegitimate and illegal." Rulers refusing to surrender to the imam must be

"put to the sword and dispatched to hell where they shall roast forever."

The Tehran seminar described Islam as "a religion of the poor and the oppressed" that should serve "as a weapon in revolutionary wars against the rich and the corrupt."

Borrowing heavily from the Marxist jargon, the turbaned seminarists portrayed an Islam which "far from being an opium of the masses" would "wake them up from the sleep of centuries, putting a sword in their hands and sending them into battle against the forces of Satan."

Conservative mullahs, now on the losing side in Tehran, have already spoken of the regime's "drift toward Islamic Marxism."

The surface similarity between Khomeinism and Marxism is truly striking. The *mos-tafaeen* (the dispossessed) replace the "proletariat" while the "bourgeoisie" appears as the *mustakbareen* (the rich). The former's *ikhid* (holy war) against the latter, recalls the Marxist concept of class struggle. In Khomeini's *jame-e-ravandi* (the unitarian society) there would be "no government, no classes and no oppression."

Even the Leninist concept of "the party of the vanguard" is retained in the form of Hezb al-Allah (the Party of Allah) which is charged with the task of achieving a world revolution.

Iran's leftists are angry at the mullahs' adoption of their revolutionary clichés. The urban guerrilla chief, Massoud Rajavi, recently accused Khomeini of "even stealing our language."

Traditionalist Muslims, however, say that Khomeinism is becoming a vehicle for Communism in Islamic nations. The origi-

nal hope that Khomeinism would be a religious rampart against leftist ideologies is now seen by conservative mullahs as an illusion.

Muslim masses, even in the USSR's Asian republics, have largely remained indifferent or hostile toward Communism, largely because of its atheistic stance. Khomeinism is now offering "a Communism in which Marx wears the mask of Allah," in the words of Iranian sociologist Nasser Zaman. This is, perhaps, one reason for the unconditional support Khomeini receives from most pro-Moscow Communist parties in the Middle East, including, notably, those of Iran, Iraq, Egypt, Turkey and Afghanistan.

Khomeinism, until now confined largely to politics, is fast moving toward opening up purely religious battlegrounds throughout the Muslim world. It promises Allah's justice here and now, even declaring that the Prophet himself "failed to understand the promise of Islam." It is thus propelling itself into positions from which nothing short of total war against other Muslim governments would be theoretically possible.

Who would benefit from a Muslim world plunged into revolution and religious schism probably for years, if not decades?

Ayatollah Mohammed-Reza Golpayegani, one of the top six Shiite authorities and until recently a close Khomeini ally, has warned of "the day the entire Muslim world is plunged into a sea of fire and blood as a result of hasty measures."

The end of the 1949 unity edict threatens to return the Muslim world to those centuries of internecine feuds that kept Muslims fighting each other while the West was emerging from its Renaissance and shaping the Industrial Revolution.

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## Letters

### Japanese Autos

The demise of the American automobile industry, and the phenomenal success of the Japanese, has very little to do with dumping or trade barriers, which may or may not exist. The fact is that the Japanese offer a superior product at a price which is far from cheap compared with the cost of our automobiles.

When I spend between \$8,000 and \$10,000 for a car, I have the right to get my money's worth, which is seldom the case with American cars. The rate of recall of Detroit cars, from the cheapest to the most luxurious, has become a joke, if a sad one. Let's face it: if the American automobile industry is to survive, it has to do a lot more than point an accusing finger at Japan's trade policies and pressure our government into curbing Japanese imports.

Let's start by building a good, comfortable, economical, attractive car which doesn't fall apart, and has enough guts to get out of its own way! The Japanese are doing it, and they have been in this business a lot less time than the U.S. automobile manufacturers. For that matter, so do the Germans, the French, the Swedes and even the Italians! And, believe it or not, the British are finally catching up too. But it is a task for both labor and management to get together and work out a solution, otherwise neither party will be around for very long, while the bread lines will get even longer!

Nice, France.

BEN ROSE

### On Evolution

Regarding "Against Evolution" (H/T, March 10): Perhaps Mr. Stockell would like to outline his "irrefutable evidence" which states that we were molded from a piece of clay?

While the Bible was not a bad book, and while religion has certainly served its purpose, the collapse of THESE fairy tales and myths — although still quite a few years away — is simply a matter of evolution, i.e. a process of gradual development. The staid religious resolutions of many inhabitants of our planet are virtually a menace to our progress. Time is approaching where many and most shall be concentrating on living in their present with a view towards their future, occasionally referring to their past. Such will be progress.

It may well be interesting to note that Darwin rejected his own theory prior to his death. It is also interesting to speculate that he did so out of guilt and fear since he, like millions of others then and even now, was indoctrinated at an early age with the belief that if he does not believe, he will go to hell.

TERENCE P. BAKER

Kumla, Sweden.

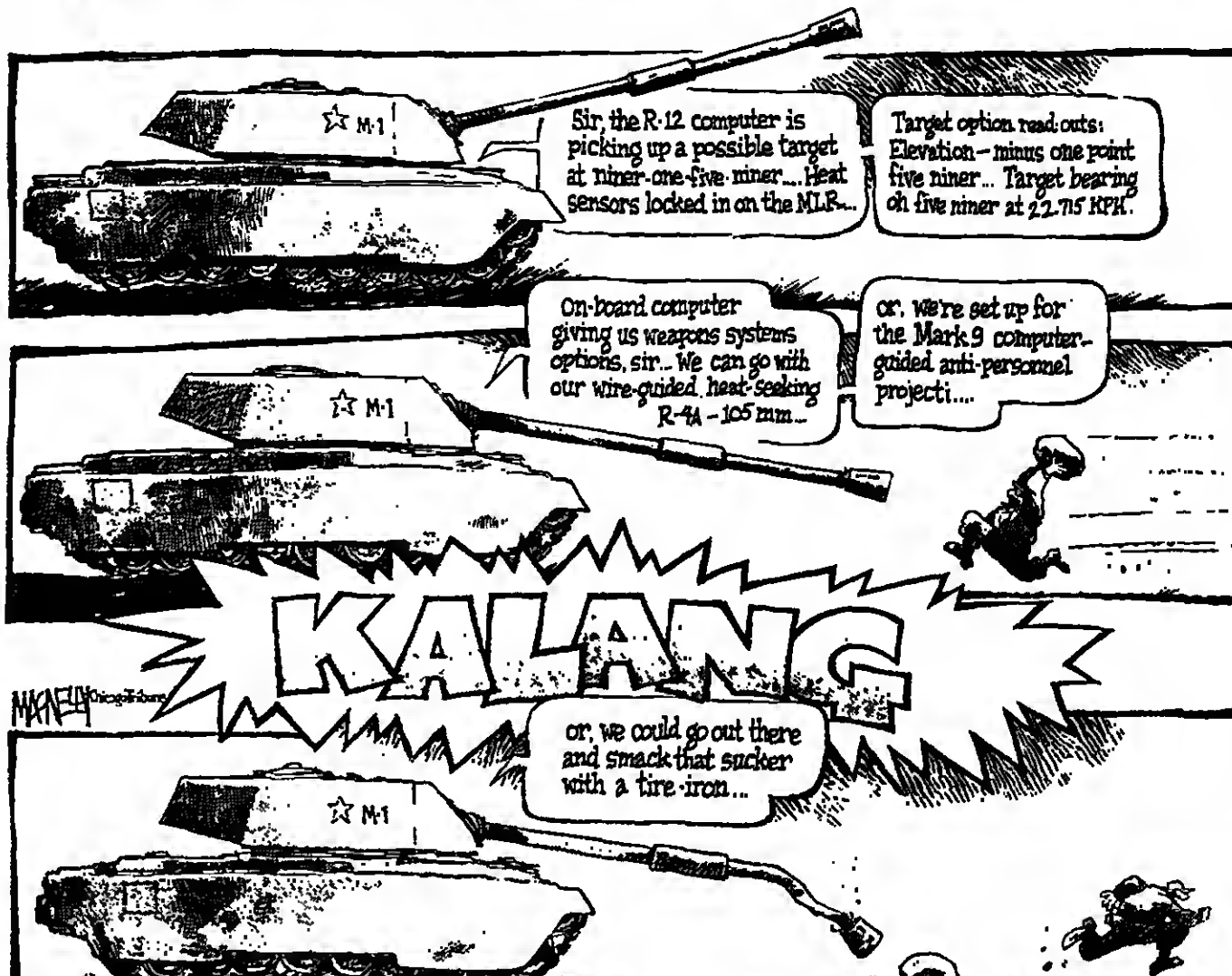
### Nicaragua Aid

Rather than a fruit members of the Green Berets to infiltrate Nicaragua at a cost of \$100,000 per man per year, the White House could send a doctor, engineer and teacher for the same amount and instead of blowing up bridges, try to build a few across the gulf of economic disparity that separates North and South.

DAVID D. GREEN

Santiago de Compostela, Spain.

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## Reagan and the Search for a U.S. 'World View'

By Philip Geyelin

WASHINGTON — It's not certain yet, so the White House doesn't want to noise it around. But the Reagan administration is thinking seriously about having a foreign policy.

You can call it a grand strategy, if you prefer, or a "conceptual framework," or a "world view." Whatever it comes down to an effort to pull together all the loose strands of U.S. concerns and purposes in East-West relations, North-South relations, the Third World, Poland, Central America, the Alliance, the Middle East — whatever. That is the first, internal step. The second, external step would be to find a better way to give

coherent and comprehensive expression to what the United States thinks it is up to (and up against) in the world. Both steps are now being taken — hesitantly.

After 14 months of discreet clearing and false starts — a definitive presidential "foreign policy" speech shelved, a "State of the World" message withheld — the president himself, I'm told, has set interagency task forces to work. They are struggling to resolve the inside infighting and reconcile the outside contradictions and cross-purposes: arms buildup with arms control; allied harmony with the

U.S. anti-Soviet hard line; Gulf security with Palestinian grievances; the international implications of domestic economic policy.

In the jargon of bureaucracy, the process is said to be somewhere between a National Security Study Directive (NSSD) and a National Security Decision Directive (NSDD), the supposed end product. At the very least, argue participants, this will serve to concentrate the mind, to introduce discipline and order, to refine differences.

But the hope is that it would clear the way for the "lengthy treatment of foreign policy" which

the president could not find space for in January's State of the Union message but promised to "address in detail in the near future."

Exactly what form this might take is not clear. Much will depend on just how much the president and his lieutenants can come to a consensus that would be sufficiently substantive and forceful to rally support, assuage doubts and command respect among all of his diverse audiences: the American public, allies, adversaries and the so-called nonaligned.

But one possibility now being pushed in some circles at the State Department and in the White House National Security Council staff would be a presidential speech on East-West relations, on the occasion of his European trip in June.

Given the deep divergences, inside the government and in American public opinion (not to mention with allies), anything definitive would have to entail some heavy head-knocking, a measure of flexibility, some controversy — and compromise.

The president has publicly resisted the notion that the test of a foreign policy is having one that can be fitted into a single, all-encompassing address.

But proponents of the idea turn the political argument around. If the president is in trouble on foreign policy, they contend, it is because of the way much of it comes across. The press conference introductory statements and selective Q's and A's, the short set-serving bursts on talk shows by policymakers with narrow interests to protect, and the set speeches by Cabinet chiefs or White House aides — all these address only bits and pieces of some larger scheme. If there really is one, the Great Communicator ought to be able to communicate it.

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## After Return of Sinai, Gulf Arabs Hope for Normal Ties to Egypt

By Henry Tanner  
New York Times Service

DOHA, Qatar — The Arab governments of the Gulf are eager to see Egypt resume its traditional central role in the Arab world once Israel has completed its withdrawal from Sinai on April 25.

But officials here see no spectacular reconciliation with Cairo and no sudden personal gestures or changes in policies. Normalization with Cairo will necessarily be gradual and slow, they say, and may take years to complete.

For one thing, bitterness over what the Arabs regard as Egypt's betrayal of them in signing the Camp David peace accords with Israel is still strong in the Gulf countries, where Palestinians, Syrians and Lebanese by the hundreds of thousands make up a large part of the work force.

More important, President Hosni Mubarak of Egypt has gone out of his way to convince the leaders of the Gulf nations that he will not go back on the peace treaty and the establishment of normal diplomatic relations with Israel. He has also said he will not renounce what he called Egypt's "special relationship" with the United States.

Mr. Mubarak has won respect in the Gulf for saying the same things to the Americans, the Israelis and the Arabs. He is seen as a man who maintains his dignity and can be tough. His predecessor, Anwar Sadat, was believed by many in the Arab world to have let himself be bullied repeatedly by Prime Minister Menachem Begin of Israel.

### Canary Action

When Mr. Mubarak refused last month to go to Jerusalem, he was given credit here not only for a show of character but also for canny anticipation of an Israeli trap. The visit would have taken place just before the Israelis moved against the elected mayors in the occupied West Bank, leading to an eruption of violence, and this would have discredited Mr. Mubarak in the Arab world for many months, Western diplomats say.

Authoritative sources say Saudi Arabia and the other Gulf nations intend to revive the eight-point Fahd plan for an overall Middle East settlement, which was rejected by a majority of Arab leaders last fall.

## Ulster Politicians Denounce Plan of U.K. for Assembly

The Associated Press

LONDON — Leaders of all the major factions in Northern Ireland have denounced the British government's plan for an elected assembly. A Catholic leader called it a "faute d'usage" and a Protestant termed it a "double-cross."

"Britain must realize that nothing short of her total withdrawal from Ireland will bring peace to our country," said David O'Connell, vice president of Sinn Féin, the IRA's political front.

If the plan announced Monday by Northern Ireland Secretary James Prior is put into effect, assembly elections for 78 members would be held this fall. This part of the country has been ruled directly by London since March, 1972, when the Protestant-controlled provincial parliament was dissolved.

Mr. Prior's plan, which is subject to Parliament's approval, centers on electing an advisory assembly to which London would restore limited social and economic powers one by one.

The plan, or a variation of it, may have a better chance now, officials in the Gulf region believe. The plan called for Israeli withdrawal to its pre-1967 borders, for the creation of a Palestinian state in the occupied territories and for recognition of the right of all nations in the region to live in peace within their borders. Israel rejected the plan, but the Reagan administration regarded it at least for a while as a possible basis for negotiation.

According to reliable sources, the Saudis are contemplating a call for a Geneva-type conference with Soviet and Palestinian participation to take up the Fahd plan, named for Crown Prince Fahd of Saudi Arabia. In 1977, just before Sadat went to Jerusalem to begin his rapprochement with Israel, the Soviet Union and the United States had begun to edge cautiously toward agreement on such a conference.

### Potential Role

Egypt, officials in Gulf nations say, would have an important role to play in any conference. This would go far to end their isolation.

Gulf Arabs, according to Western diplomats, plan a new diplomatic offensive because they believe that otherwise all political action in the region will be dangerously frozen. The Reagan administration cannot be counted on to take any initiative in the Middle East, Gulf officials say, and the talks about Palestinian autonomy are not viable after the recent events on the West Bank.

Arab governments are convinced that Israel, under Mr. Begin, intends to annex the West Bank as it did East Jerusalem and the Golan Heights, and that the first cracks in the Egyptian-Israeli relationship will be caused by Mr. Begin and not by Mr. Mubarak.

A high official in the Qatar Foreign Ministry listed what he called Israeli provocations, including the moves on the West Bank and the Golan Heights, the bombing of a nuclear reactor in Iraq and repeated air and ground operations against Lebanon.

"Mubarak will never revoke Camp David," the official said. "He will never break the peace treaty. He will not pose a military threat to Israel, will not tamper with the demilitarized zone and will not ask for the withdrawal of the international military force in Sinai."

### Israeli Borden

He added, "But if Begin annexes the West Bank, do you really think that anyone in the West, even in Washington, will blame Mubarak for taking diplomatic action — for instance, by recalling his ambassador from Tel Aviv?"

According to the official, the burden is on Israel, not on Egypt, to prove that it can maintain normal relations with the one Arab country that has made peace with it.

He added that the threat of freezing the normalization of Egyptian-Israeli relations or the threat of recalling an ambassador even temporarily were means of political pressure that were not available to Egypt before the Camp David accords and that no other Arab nation had ever had. Mr. Mubarak could not fail to use such pressure if Israel continued its expansion, he said.



PARIS PROTEST — Thousands of Jews demonstrated Monday in Paris after the slaying Saturday of Yacov Barsimantov, an Israeli diplomat. The crowd demanded the closure of the Palestine Liberation Organization's offices in Paris, but Claude Cheysson, France's minister for external relations, said Tuesday there was no sign of PLO involvement in the killing.

## Arab Town on New Sinai Border Fears It Will Be 'Another Berlin'

By David K. Shipler  
New York Times Service

RAFAH, Israeli-occupied Gaza Strip — A chain-link fence, 7 feet high and topped by barbed wire, is being erected through the center of this dusty town of 60,000 Palestinian Arabs. It slices across streets, cuts through yards and winds among houses, separating merchants from their markets, farmers from their crops, fathers from their sons.

As of April 25, when Israel is scheduled to complete its pullback from Sinai, the fence will be the new border between Israel and Egypt. A single gate will allow selected residents with special passes to move back and forth, if they have property on both sides. But for most of Rafah's citizens, the city will be absolutely divided.

"Berlin," said one resident, Hatem Nawalha. "I don't want it to be like Berlin, with one brother on one side and one on the other."

The case of Rafah has put an odd twist in the conventional images of alignments in the Middle East, for it was Israel that pushed hard for a solution that would spare the Arab residents the hardship they will now endure, and it was Egypt that refused to put humanitarian considerations ahead of politics.

Modern Rafah began as a small town in Palestine under the British mandate, and it grew and spread and spilled over into adjacent Sinai in the absence of a fenced international frontier.

### Contraband Beans

"The shops have been so carefully erected by far-seeing traders on the exact boundary," wrote C.S. Jarvis, British governor of Sinai in 1936, "that so far no customs official has been able to decide what constitutes smuggling and what does not. Technically, the mere act of cooking beans in the kitchen and eating them in the living-room is an offense against the laws of contraband."

After the 1948 war at Israel's birth, Egypt controlled both the Sinai and the Palestinian sides. Although there were checkpoints in the town — the Palestinian portion was in the Gaza Strip, under an

Egyptian military government — residents say they could move back and forth freely. Since the 1967 war, when Israel took control of both Sinai and the Gaza Strip, the town has developed in complete disregard of the old border. Now, under the Egyptian-Israeli peace treaty, only Sinai will go back to Egypt, and the Gaza Strip will remain under Israeli jurisdiction.

The treaty provides that the border coincide with the line established in 1906 by a joint commission of Turkey, Britain and Egypt. There are still disputes between Israel and Egypt about the precise location of this line — and 15 points along it have not been resolved — but there is no doubt that it went through what is now the heart of Rafah.

### Israeli Proposal

Several months ago, Israel's defense minister, Ariel Sharon, proposed redrawing the border around the town to place Rafah either wholly within the Gaza Strip or wholly within Egypt. His concerns were described by officials as both humanitarian and security-oriented. He did not want to demolish houses to make a plowed security strip, but he was said to be worried about terrorists who might infiltrate across a border that would be hard to police if it ran through congested neighborhoods.

Egypt refused to redraw the line, however. If it took all of Rafah into its territory, the argument went, Palestinian nationalists would have raised a cry over Egyptian annexation of part of what they still call Palestine. If the town had been placed entirely within the Gaza Strip, some Egyptians would certainly have criticized President Hosni Mubarak for giving away Egyptian territory.

The Egyptians did agree to slight alterations of the border to avoid cutting houses in half, and the Israelis decided not to demolish buildings; the 130-foot-wide (40-meter) security strip the Israelis have bulldozed along the fence stops at the town's edge, narrowing to a thin zone as it enters the built-up area.

"The fence is going to be minimal," a high-ranking Israeli officer said, "definitely not satisfying the security people. We'll try it out and see how it works."

As the fence is built, yard by yard, the certainty of division solidifies. But one uncertainty that has not yet been removed is the question of what is going to happen to the 516 families who live in Camp Canada, a slum named after the Canadian UN force once stationed there.

They have been uprooted before. They are families that fled in the 1948 war to a refugee camp here. Then in the early 1970s, Israel let them move from the camp to Camp Canada, where they built their own houses. Now Camp Canada will be in Egyptian territory, and its residents are Palestinian.

The residents have been told nothing about their future. But officials said Israel had asked Egypt to allow them to stay where they are. If Egypt refuses, an Israeli official said, they will probably gradually move out over the next six months, be compensated for their houses by the Egyptian government and be helped by Israel to build new houses on a tract of land in northwest Rafah.

"We think the Palestinians on the Egyptian side should remain there," the Israeli official said. "But if Egypt cannot accept the idea that they should stay put, then we're ready to take them back and resettle them."

## Abe Fortas Dies at 71; Was High Court Justice

The Associated Press

WASHINGTON — Abe Fortas, 71, who became the first U.S. Supreme Court justice in history to resign under fire when he left the court in disgrace 13 years ago, died Monday of a heart attack.

Two weeks ago, Mr. Fortas ar-

### OBITUARIES

gued his first case before the Supreme Court since he left it. Shortly before that March 22 appearance, Mr. Fortas said that he would continue practicing law "until my clients retire me or the Lord retires me."

Mr. Fortas resigned from the court May 15, 1969, following the disclosure that he had agreed to accept a \$20,000 annual fee from a foundation headed by an imprisoned financier, Louis E. Wolfson.

### Juvenile Offenders

Mr. Fortas had been named to the high court four years earlier by President Lyndon B. Johnson. In his relatively brief tenure on the court, Mr. Fortas established himself as a deep thinker and a staunch member of the predominant liberal wing under Chief Justice Earl Warren.

One of Mr. Fortas' best-known opinions while on the court extended to juvenile offenders the right to a lawyer's help and to other protections enjoyed by adults charged with crimes.

Mr. Fortas was a Washington insider long before he became a Supreme Court justice, most notably as a trusted confidant and adviser to Johnson.

While he was in private law practice, Mr. Fortas was appointed in 1963 by the Supreme Court to argue on behalf of a Florida prisoner inmate in a case that led to a landmark decision allowing penniless people charged with serious crimes a right to free legal help.

He also won appeals to the court that overturned teachers' loyalty oaths and established the precedent that an accused person is not criminally responsible if his unlawful act was the result of mental disease or mental defect.

Johnson had named Mr. Fortas to the court to replace Arthur Goldberg, who resigned to become the U.S. ambassador to the United Nations.

### Republicans Balked

Three years after Mr. Fortas took the oath as an associate justice, Warren informed Johnson of his desire to retire as chief justice. Johnson sought to name Mr. Fortas as the new chief justice but Senate Republicans balked.

They used as ammunition the disclosure that Mr. Fortas had been paid \$15,000 from donations solicited by former law partners for lecturing at a summer law school seminar. In the impasse,

Warren decided to stay on as chief justice.

Months later, the disclosure of Mr. Fortas' financial link to Mr. Wolfson became public. Mr. Fortas, although denying any wrongdoing, resigned under the threat of impeachment. He conceded that the \$20,000 fee was intended to be the first of a series of annual \$20,000 payments for the rest of his life and, in the event of his death, for the life of his wife, for "continuing services" to the foundation.

### Harmonious Relations

Mr. Fortas said the foundation had "tendered" the fee "in the hope that I would find time and could undertake, consistently with my court obligations, studies and writings connected with the work of the foundation ... in the field of harmonious racial and religious relations."

At the time, Mr. Wolfson was serving a one-year prison term for illegal stock manipulation. Born in Memphis, Tenn., on June 19, 1910, Mr. Fortas graduated from Southwestern College in Memphis and from the Yale University Law School. Before arriving in Washington in the 1930s, he taught at the Yale Law School for four years. He then helped found one of the capital city's most prestigious law firms — originally called Arnold, Fortas & Porter but now known as Arnold & Porter.

### Warren Oates

LOS ANGELES (UPI) — Warren Oates, 52, who played a series of shiffling drifters and murderous hoodlums in such films as "Dillinger" — in which he played the title role — and "The Wild Bunch," died Saturday of a heart attack.

Mr. Oates' most memorable role may have been the slovenly, Peeping Tom police officer in "In the Heat of the Night," which starred

## Bolivian General Appoints Cabinet

United Press International

LA PAZ — Bolivia's military president, Gen. Celso Torrel, has named a new Cabinet and said that he wants a return to democracy by 1984.

All 18 Cabinet members resigned Monday, apparently on orders from the military, to clear the way for a new government, and Gen. Torrel appointed four more civilians, bringing their total in the government to 10.

Gen. Torrel urged "a constructive dialogue" of social, economic and political forces and said he supported any talks that would result in progress toward restoring a constitutional government by 1984.



Abe Fortas in 1965.

Rod Steiger. On television, Mr. Oates hooded his bad-guy character in "Have Gun — Will Travel" and as Jack Lord's no-account sidekick on "Stoney Burke."

### Jabar Rasulov

MOSCOW (UPI) — Jabar Rasulov, 68, the Communist Party leader of the Soviet republic of Tadzhikistan, has died suddenly, Tass reported Monday.

### Alfred G. Ward

WASHINGTON (WP) — Alfred G. Ward, 73, a retired admiral who was commander of the Atlantic Fleet during the U.S. Navy's "quarantine" of Cuba in the missile crisis of November, 1962, died Saturday.

### Richard Henry

ALBUQUERQUE, N.M. (UPI) — Richard Henry, 52, copydesk supervisor at the Albuquerque Journal, died Sunday. He was a copy editor at the International Herald Tribune from 1970 to 1978.

Mr. Henry also had worked for the New York Daily News, the New York World-Telegram and Sun and other East Coast newspapers in the United States. He is survived by his wife, Nina, and two sons, Michael and Pierre.

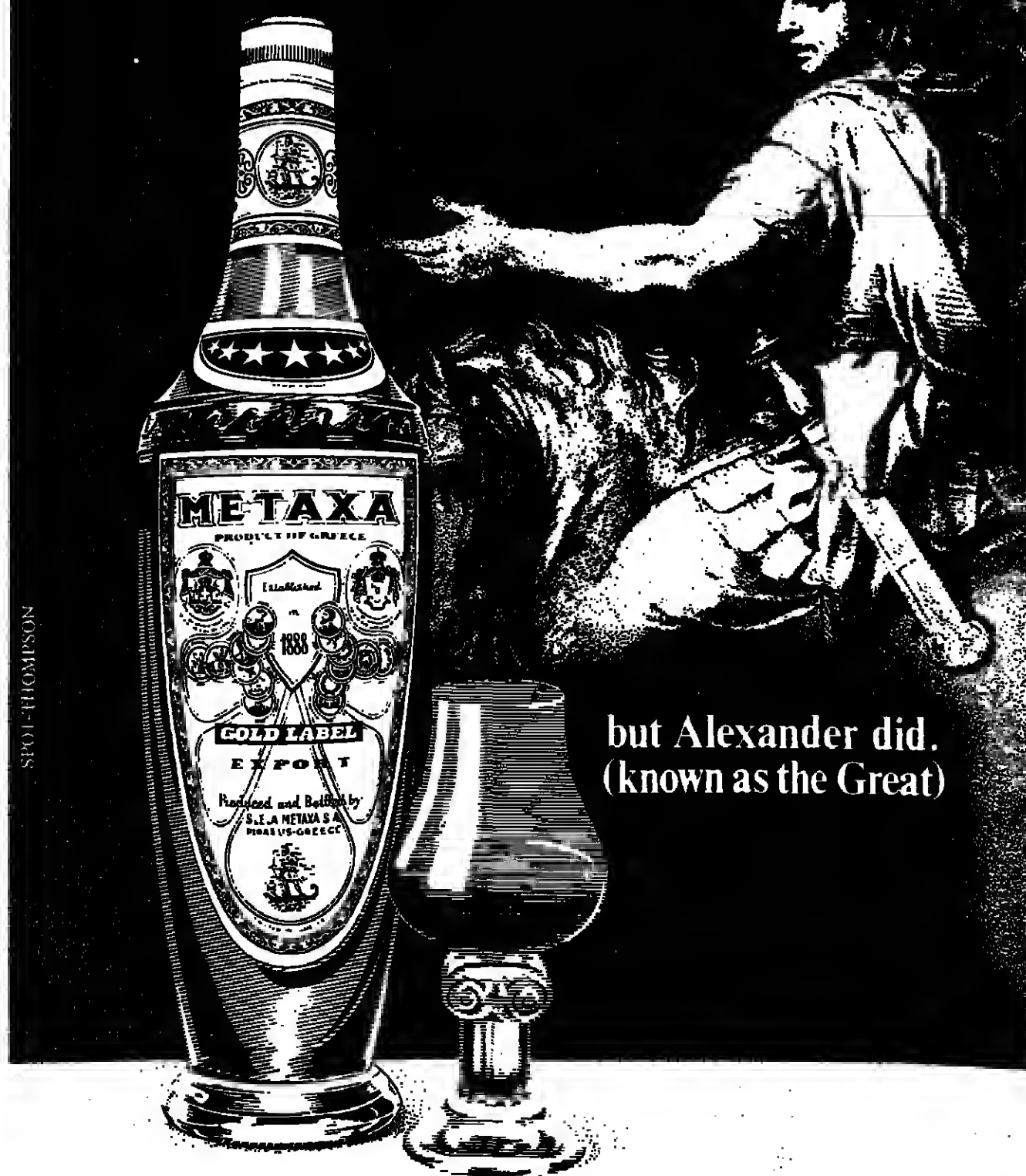
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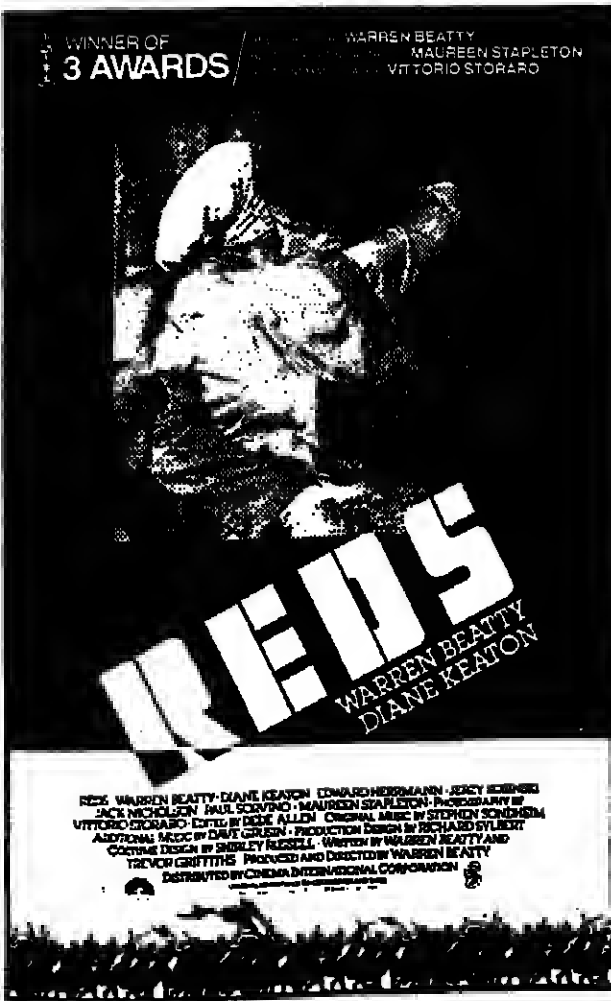


THE BARBARIAN

## WORLDWIDE ENTERTAINMENT

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## BUSINESS NEWS BRIEFS

### Goodrich Expects 1st Quarter Loss

AKRON, Ohio — B.F. Goodrich, the tire and rubber company, said Tuesday it expects to report a loss from operations in the first quarter. The company said that, in addition, the devaluation of the Mexican peso will result in a charge of about \$8 million in its first quarter results, but the entire effect of the devaluation on its Mexican subsidiaries will fall in that quarter.

### A&P Says Action on Pension Plan Is Settled

NEW YORK — Great Atlantic & Pacific Tea Co. said it had agreed in principle to settle a class-action lawsuit brought against its plan to terminate the company's pension program, which had been overfunded by about \$250 million.

The supermarket chain, which is 50.3-percent owned by the Tengelmann Group of West Germany, also said Monday it expected to report a loss of about \$2.9 million for the first quarter and a loss of about \$31.6 million for the full year ended Feb. 27.

### Hanna Wins Restraining Order on Norcen

CLEVELAND, Ohio — Hanna Mining has won a temporary restraining order in federal court blocking a tender offer by Norcen Energy Resources of Toronto to acquire up to 51 percent of its shares.

U.S. District Judge John M. Manos also scheduled Monday a hearing for a temporary injunction for April 15.

### Woolworth Plans Store Sales as Profits Slip

LONDON — F.W. Woolworth, which is 52-percent held by F.W. Woolworth of the United States, would like to sell up to 25 stores and an office property, because of unsatisfactory returns, providing sale prices are well above book value, chairman Geoffrey Rodgers said in the annual report Tuesday.

Pre-tax profit in fiscal 1982 slipped to £38.3 million, including £16.5 million from property sales, from £39.2 million the previous year, which included £2.8 million for property sales.

A spokesman said the 25 stores might bring over £90 million. The money would be divided between possible acquisitions, debt reduction and the expansion of successful stores.

### Justice Department Seeks IBM Case Delay

WASHINGTON — The Justice Department has asked a federal judge to delay for one month its hearing into the government's dismissal of its antitrust suit against International Business Machines.

Assistant Attorney General J. Paul McGrath, head of the civil division, said the additional time was needed for the Justice Department to complete its internal investigation into whether the department's antitrust chief, Assistant Attorney General William F. Baxter, should have disqualified himself from the case because of a link Mr. Baxter once had with IBM, but which Mr. Baxter later said he considered trivial and irrelevant to the case.

The department's motion was submitted in New York City to U.S. District Judge David N. Edelstein, who ordered the government to show cause at a hearing on April 19 on why its Jan. 8 dismissal of the 13-year-old case was not improper. Mr. Baxter had dismissed the case, saying it was "without merit."

## Stock Prices Close Higher in N.Y.

NEW YORK — Prices on the New York Stock Exchange, after falling most of the day, closed higher Tuesday as upward pressure overcame economic uncertainties and profit-taking.

A New York-area blizzard forced early closure of most commodity markets, but the stock exchanges operated as usual.

The Dow Jones industrial average, fractionally higher at the outset and behind nearly 5 points at noon, closed up 4.00 points at 839.33. The Dow, a 3.24-point loser Monday, had advanced a total of 41.20 points in three straight weekly gains as of Friday.

Advances led declines 723-646 among the 1,798 NYSE issues traded, and NYSE volume was 42.9 million shares, down from the 46.9 million traded Monday.

Prices were mixed in moderate trading of American Stock Exchange issues.

The Coffee, Cocoa and Sugar Exchange, the New York Mercantile Exchange and the New York Cotton Exchange were among commodity markets closing down early as a result of the blizzard cutting off many major arteries into New York.

Trading in U.S. government securities was halted two hours early and Standard & Poor's Corp. did not open at all Tuesday.

Analysis said the market was pausing to consolidate its recent gains before resuming the advance. Uncertainty about the course of interest rates, the length of the recession and President Reagan's budget deficits continue to hobble rally attempts.

Congressional Budget Office Director Alice Rivlin, agreeing with administration assessments, said

## 85% of Thrifts Run in Red, U.S. Reports

From Agency Dispatches

WASHINGTON — Almost 85 percent of U.S. savings and loan associations were running in the red at the end of last year, the Federal Home Loan Bank Board says. The figure, for the last half of 1981, was the worst performance yet for the troubled thrift industry and represented a sharp deterioration over the past year and a half. Industry losses in the six-month period reached \$3.1 billion, double the losses in the previous half.

Meanwhile, in San Francisco, Fidelity Financial, the holding company for Fidelity Savings, the 15th-largest savings and loans in California and the 27th-largest in the United States, said it is discussing merger proposals with state and federal regulators.

From January to June, 70 percent of the federally insured savings associations were paying more in interest than they were earning on portfolios heavy with older, low-interest mortgage loans. The comparable figure for the last half of 1980 was a 35 percent rate of losses.

However the industry over past profitable years accumulated an enormous amount of net worth that has helped sustain it since interest rates skyrocketed and turned the industry on its head.

The average cost of money for the thrift industry was an interest rate of 11.53 percent during the second half of 1981. The average rate of interest earned on mortgages was 10.02 percent. Associations earned a higher rate on other investments, which boosted earnings somewhat.

The total of savings and loans is about 4,300. Voluntary and forced mergers have carved away about 5.5 percent of the associations in the past year.

The industry wants the federal government to inject either funds or promissory notes into losing associations to inflate their net worth. But until Congress acts, regulators have been busy taking the worst cases and finding healthy partners to avoid liquidations.

Over the weekend, the Federal Reserve Board reached across industry lines to merge a failing Columbus, Ohio association, Scioto Savings, with the Interstate Financial Corporation of Dayton, Ohio, a commercial bank holding company, the first time such a rescue by a banking company has been put together outside New England.

But Western experts on the Soviet economy, at their annual meeting last week at NATO headquarters, heard evidence that the Soviet Union's unpublished money supply may be growing at an extraordinary rate.

An accelerating money supply means rising inflation, but the Soviet Union does not have inflation either — at least not officially — because all prices are fixed by the government.

So, instead, high monetary growth is helping create what Gregory Grossman of the University of California at Berkeley calls the Soviet Union's "suppressed inflation" — the booming "shadow and black economies," where scarce goods are bartered or change hands only at a "realistic" price that includes a bribe, paid under the counter in cash.

"The weight of evidence suggests that the shadow economy is now growing relative to the economy as a whole," Mr. Grossman said. This opinion is shared by many other Western experts.

Whenever official prices "are

too low there is money to be made," said Peter Wiles of the London School of Economics, who calculated that at least half the goods in the Soviet economy are available readily only to those able to offer extra cash or some other favor in return.

To support his contention that the presses printing rubles are working overtime these days, Mr. Grossman estimated the amount of currency in circulation by analyzing the published data of Gosbank, the state bank, and Strobank, the investment bank, which both use double-entry bookkeeping, meaning their assets and liabilities must be equal.

The banks' main assets are their loans to state companies, which have shown explosive growth. Between 1976 and 1980, the last year for which figures are available, these loans grew by 27.6 billion rubles (\$36.7 billion) a year on average, compared with an average growth of only 15.6 billion rubles a year between 1971 and 1975. More striking, the rate at which these banks increased their company lending almost doubled between 1979 and 1980, from 25 billion rubles a year to 42 billion rubles.

If two of the Soviet banks' principal liabilities, private savings deposits and cash held by state companies, are deducted from their loan portfolio, Mr. Grossman concluded that the resulting figure must be a rough pointer to the banks' third, secret liability — the value of ruble notes and coins in circulation with the general public and the crudest measure of the Soviet Union's money supply.

According to Mr. Grossman's calculation, the annual average rate of increase in the amount of cash in circulation in the Soviet

Union jumped from 4.5 billion rubles a year between 1971 and 1975 to 12.3 billion rubles a year from 1976 to 1980. In 1980 alone, the Soviet money supply, as measured by this yardstick, rocketed by 28.5 billion rubles, or more than three times the previous year's increase of 8.1 billion rubles.

"The picture presented by these data is one of a sharp increase in the value of goods in the production pipelines simultaneous with a perceptible decline in inventories of finished products, in other words of diverse bottlenecks and, by inference, of a booming 'shadow economy,'" Mr. Grossman said.

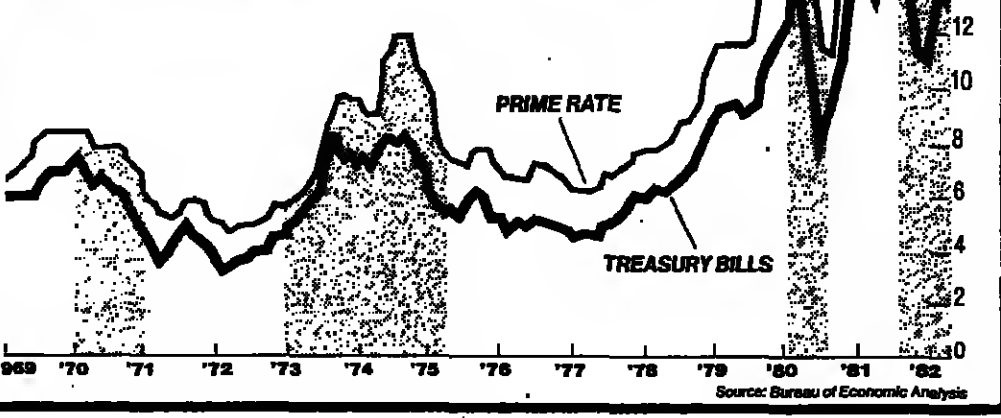
By "shadow economy," Western experts mean the illegal economic activity that Soviet managers perform to meet their official plan targets — "benign plan violations" as Mr. Wiles's term. These can include hiring moonlighting draftsmen for cash to prepare engineering drawings that state designers would take years to make, or paying bribes for essential raw materials.

Companies raise the necessary cash by such stratagems as padding their payrolls or selling surplus products on the side. By contrast, the "black economy" involves illegal, private business activity conducted for personal profit, usually involving theft of state-owned equipment and raw materials.

The increasingly frequent and detailed references to both types of activity in the official press suggest to experts that they are widespread and tolerated by officialdom.

## Interest Rates and Recessions: The U.S. Experience

Discount rate on new 91-day Treasury bills and the prime rate, both monthly averages in percent. Recession (shaded areas) as defined by the National Bureau of Economic Research



## Criticism of Fed Policy Increases As High Rates Hinder Recovery

By Karen W. Aronson

New York Times Service

NEW YORK — Until recently, soaring prices united nearly everyone against inflation and behind the Federal Reserve Board's restrictive monetary policies to lower the inflation rate. Thanks in part to the Fed, inflation has indeed fallen sharply, but so has the economy, while interest rates have remained perilously high.

There has developed a growing sense that the Fed has overstayed its course, and many economists both in and out of government profess fear that unless the Fed releases its grip on money and credit, high rates are going to choke off recovery. Of course, high rates are also being attributed to record budget deficits, but interest rates have been more directly influenced by the Fed.

"High interest rates are killing us," said Jay Schminedekamp, chief economist for the Gallup Organization. "Right now we desperately need lower rates. That is the one thing every economist would agree on."

It is a cry repeatedly being sounded in Congress as well. Rep. Henry S. Reuss, Democrat of Wisconsin, said recently: "It is a perfectly simple thing — we are

asking to save our country. This does not mean for one moment that we are requesting the Fed to turn on the spigots, but only to get off of the super-tight course they are on."

While many analysts seek short-term adjustments in the Fed's position, others say that nothing short of a new way of handling monetary policy is needed. For what is becoming increasingly clear is that there is little the Fed can now do to help bring interest rates down if it continues to embrace its current strategy. In some ways, the Fed appears to have boxed itself into a corner.

### Let-Up Sought

"They are stuck in the embarrassing position of having their finger in the dike and believing they are the country's last hope," said Robert Solow, a professor of economics at Massachusetts Institute of Technology.

In normal times, the Fed can lower interest rates — at least in the short run — by easing money-supply control. A growing number of economists, including Fed Governor Nancy H. Teeters, the only governor to vote against current Fed policy, believe this would

(Continued on Page 9, Col. 1)

## With No Inflation in Russia, Prices Rise Under the Table

By Paul Lewis

New York Times Service

BRUSSELS — M-1, M-2, M-3 or M-anything-else are unknown in the Soviet Union, which does not publish money supply figures and, for that matter, has far different ideas from the West on what constitutes "money."

But Western experts on the Soviet economy, at their annual meeting last week at NATO headquarters, heard evidence that the Soviet Union's unpublished money supply may be growing at an extraordinary rate.

An accelerating money supply means rising inflation, but the Soviet Union does not have inflation either — at least not officially — because all prices are fixed by the government.

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## Crisis Drags Pound To 4 1/2-Year Low

From Agency Dispatches

LONDON — The British pound and London Stock Exchange prices continued under severe pressure Tuesday as traders scrambled in the wake of the deepening Falkland Islands crisis.

The pound fell to its lowest level against the U.S. dollar since October, 1977, closing at \$1.7495, compared with Monday's close of \$1.7667. At one point in the afternoon, the pound touched \$1.7460.

Gold closed firmer in London at \$349.50 an ounce, up from Monday's close of \$336.85.

Later in New York, the price of gold rose suddenly on the Comex on rumors that the Soviet Union had taken some military action relating to Pakistan, dealers said. There was no confirmation of the rumors. The spot April contract rose \$10.30 to \$357 an ounce, while June rose \$10.20 to \$363.20.

Dealers in London said selling of the pound was widespread, indicating largely from the Continent and particularly from West Germany.

"People are concerned that the crisis is also a political one," one dealer said, "and maybe (Prime Minister Margaret) Thatcher will have to go."

The pound weakened against all major currencies, closing at 4.2340 Deutsche marks, from 4.2637 DM Monday, and at 3.4425 Swiss francs, down from 3.4525 Monday.

One dealer said that he had not seen such selling of the British currency for many years. Dealers said they expected the pressure to continue if the current level of tension between Britain and Argentina is maintained.

They said the Bank of England moved to support the pound at various levels during the morning, but they were divided as to the extent of the intervention. Dealers said it was not clear whether the

bank was trying to hold the rate against the dollar or the mark.

Some said support came as the pound breached \$1.76 and was again discernible at around \$1.7550.

The pound continued to come under heavy selling pressure in New York, trading at \$1.7515.

Diplomatic sources said Britain has formally requested the EEC to impose sanctions against Argentina, and Prime Minister Margaret Thatcher Tuesday banned all imports from Argentina.

The dollar continued firm against major currencies, aided by an expectation of higher U.S. interest rates, dealers said.

"The dollar continued to benefit from funds seeking a safer haven and gained ground over most currencies, especially the pound," a London dealer said.

The U.S. currency closed at 2.4125 DM, compared with Monday's close of 2.4108.

London stock investors panicking over the crisis in the Falklands sold at any price Tuesday, knocking another \$3.24 billion off the value of British industrial stocks.

This makes a total of \$7.74 billion lost on the London stock market since Monday when the British fleet set sail for the Falklands.

The Financial Times index closed 18.1 points Tuesday in the first 30 minutes of trading and by midday was down 17.6 points to 542.3 — its lowest this year.

Fears about physical, financial, and political implications of the Falkland crisis are just creating chaos, one stockbroker said.

Late in the day, some bargain hunting pushed up the FT index, which closed at 553.

Most sectors showed massive declines. Worst off were tobacco, leisure industries, construction contractors, metals and fabrications, building materials, stores and office equipment.

The shadow economy allows state factory managers to do better than they would otherwise be able to do without sacrificing Marxist dogma by introducing free-market principles into the economy, the experts said.

Mr. Wiles said that the black economy means "the Soviet economy is slightly more efficient than we think" because it is producing more than the official statistics show.

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## German Banks in Luxembourg Feel Squeeze

Reuters

LUXEMBOURG — West German banks operating in Luxembourg are facing a tight squeeze on their capital ratios following the February European Monetary System devaluation of the Belgian and consequently Luxembourg francs and the currencies continued slide in recent weeks, Peter Reimpell, president of Bayerische Vereinsbank International, said Tuesday.

"It is a matter of increasing concern that balance sheets are being unnecessarily inflated in this way," he said.

The balance sheets of the 29 West German bank operations in Luxembourg are denominated in Luxembourg francs, whose value is pegged to that of the Belgian franc. But in the case of many banks, more than two thirds of their assets are denominated in Deutsche marks and dollars.

Mr. Reimpell, commenting on his bank's results in the five quar-

ters to the end of 1981, said the bank's total assets rose by 20.1 percent to 86.79 billion Luxembourg francs (\$1.65 billion) from 72.26 billion at the end of September, 1980.

But this rise was largely due to the bank's high volume of Deutsche mark- and dollar-denominated assets and when calculated in marks the rise was only 4.1 percent, Mr. Reimpell added.

At the end of last December Bayerische Vereinsbank increased capital by a nominal 250 million Luxembourg francs to one billion in order to provide for the increased volume of business. Share capital is fully paid-in.

Mr. Reimpell said the bank had hoped for extra leeway for its credit business, but this has been largely wiped out by the fall of the Luxembourg franc. He said, "We are now back where we started."

Mr. Reimpell said he did not consider the Luxembourg franc devaluation was necessary on eco-

nomic grounds and added, "There must be some way to isolate the Luxembourg franc from the erratic fluctuations of the Belgian franc."

He said one possibility would be to denominate balance sheets in other currencies, as some Swiss and U.S. banks choose Swiss francs and dollars, but he added that Luxembourg financial authorities preferred banks to use the franc.

**Risk Provisions Increased**  
Mr. Reimpell said the inflating effect on balance sheets of the falling Luxembourg franc has also meant German banks in Luxembourg have had to increase risk provisions on credit and securities business more sharply than would otherwise have been necessary.

His bank set aside higher provisions for losses in the five quarters to the end of 1981 of 836 million Luxembourg francs against 218 million in the previous four quar-

ters, while the total contingency provision rose by 136 percent in 1.54 billion Luxembourg francs from 650 million.

Although there was no real trend towards higher Euro market margins in the five quarters reported, Mr. Reimpell said, Bayerische Vereinsbank International increased its surplus on commission and interest earnings to 571 million Luxembourg francs from 140 million in the previous four quarters.

Mr. Reimpell said the bank was able in report strong earnings on foreign exchange and securities operations, enabling the bank to make its higher risk provisions.

Bayerische Vereinsbank International reported a profit of 179 million Luxembourg francs against 81 million in the previous four quarters. It is transferring 90 million Luxembourg francs as a dividend to the parent bank, with the rest being allocated to reserves.

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## Argentinian Vows Effort To Pay Banks

By Carl Gewirtz  
International Herald Tribune

PARIS — Argentina will do "everything it can" to make sure its difficulties with Britain do not hinder its timely payment of interest to international banks, Dante Simone, Argentina's financial representative in Europe, said Tuesday.

Argentina has banned doing business with U.K. banks following Britain's imposition of a financial freeze in the wake of Argentina's takeover of the Falkland Islands.

As a result, U.K. banks such as Lloyds Bank or U.K. units of foreign banks such as Manufacturers Hanover Trust, which happen to be agents for some of Argentina's \$21-billion of outstanding Euro-market debt, cannot play their normal role of collecting interest and principal payments from Argentina for distribution to the other lenders.

Theoretically, Argentina can pay each lender itself. However, Argentina chooses to do it, Mr. Simone said, "we want to pay the non-U.K. banks... we will do everything we can to try to solve the problem."

Noting that a quarter of Argentina's liquid assets deposited in the Euro-market are held, and therefore frozen, at U.K. banks, Mr. Simone said that Argentina will keep current on its debts "until the last dollar (held outside Britain)" is spent.

A major concern, however, is the

## Conde Nast Buys Tatler Magazine

New York Times Service

LONDON — Conde Nast Publications has bought The Tatler, a British monthly magazine devoted to social news, the arts, features and fashion, with a largely upper class readership.

Conde Nast Publications would not disclose financial details of the deal, which it said Monday was settled late Friday with The Tatler's previous owner, Gary Bogard, a wealthy Australian.

Conde Nast Publications is a subsidiary of the New York-based publishing house, which in turn is controlled by the Newhouse newspaper group.

impact all this is likely to have on Argentina's ability to raise new money in the Euro-market.

About two-thirds of its estimated 1982 financing of \$3.5 billion remains to be completed and this is likely to be difficult. Syndication of these operations will certainly be made more complicated by the U.K. ban and that alone could be enough to dissuade potential lead managers from readily underwriting any new transactions.

The almost completed \$200-million transaction for the Buenos Aires utility Segba is expected to go forward despite National Westminster's withdrawal from the lead management group. But the status of Cas del Estado, the next scheduled borrower is unclear. At least two U.K. banks were reported to be among the five banks bidding for the business.

## Japan Presents Plan On Loans to U.S. Firms

By Hobart Rowen  
Washington Post Service

WASHINGTON — A leading member of the ruling Japanese Liberal Democratic Party Monday floated a trial balloon for the creation of "an economic alliance between the United States and Japan" through which U.S. companies would be permitted to borrow money in Japan at rates "substantially lower than in the United States."

In a speech to the Japan Society in New York, Zentaro Kosaka, former foreign minister and presently chairman of the LDP's foreign affairs research council, offered this proposal as a practical way of defusing current trade tensions between the two countries. The proposal had been expected after reports last week that Mr. Kosaka had discussed such plans with Japanese Premier Zenko Suzuki.

Kosaka said, in response to questions, that the money would be advanced by "private organizations, commercially based," rather than by the Japanese government. The government's position, he said, is that the idea is "interesting," and that he had been commissioned to make the suggestion and assess the response to it in the United States.

On Tuesday, U.S. Trade Negotiator William Brock warmly endorsed Mr. Kosaka's proposal. "That would be a tremendous improvement," he noted that Japan "now allows about one American company in per quarter."

Mr. Brock said that if Japan permits truly significant entry into its capital markets, it will have "a good impact" on the dollar-yen exchange rate, and hence would act to reduce the U.S. trade deficit.

Asked what a "realistic" rate for the yen would be, Mr. Brock said that he would like to see the yen strengthen to 180-200 to the dollar, compared to the present rate of about 247 to the dollar.

Mr. Kosaka's plan was put forward as preferable to liberalization of Japanese restrictions on agricultural imports, which he said would cause political problems for the LDP "and aggravate public sentiment towards America," or to major boosts to Japan's defense expenditures.

Mr. Kosaka said that under the plan he was suggesting, no interest rate subsidy would be involved, because the borrowing would be done "at market rates in Japan." Currently, these rates run about 10 percentage points below U.S. rates.

### Trade Talks Seen

TOKYO (AP) — Japan will "probably attend" trade talks with the United States, Canada and the EEC before the Versailles summit of seven industrialized nations in June, government officials said Tuesday.

An official of the Ministry of International Trade and Industry said Japan on Saturday received a proposal from the EEC to hold a trade conference before the summit.

## Criticism of Fed Rises as Rates Stall Recovery

(Continued from Page 7)

help. They say the economy is so weak that faster monetary growth would not touch off renewed inflation.

"We still have quite a bit of room to maneuver," Mrs. Teeters said recently in an interview.

But Fed Chairman Paul A. Volcker has insisted that as long as budgetary policy remains expansive, the Fed must remain restrictive or inflation will take off. The financial markets have taken this axiom to heart. Now there is a widespread feeling that if the Fed did loosen up, even a bit, interest rates would rise rather than fall because investors would fear the battle against inflation had ended.

### 'Fed Loses'

"The Fed loses either way," said Louis Permuter, an investment banker with Lazard Freres, reflecting a view held by many to the business community. "If it eases up, the whole concept of fighting inflation goes out the window. If it doesn't ease up, presumably interest rates will remain very high because of a lack of supply of credit."

And as long as short-term rates stay disproportionately high, consumers will refrain from borrowing

and spending, business profits will remain squeezed and investors will continue to snub long-term bonds.

"The great strains in the financial sector are contributing to private credit demand that is unusually high for a recession," said Lawrence Kudlow, chief economist for the Office of Management and Budget. "The problem is that we're already getting a clash between private credit demands and government demands, and that is not supposed to happen until the economy is well on its way to the peak of recovery."

Fed officials predicted that inflation fears will abate gradually as inflation itself recedes, and they see the recession as a temporary phenomenon.

"The recession is a transitional problem," said Stephen H. Axilrod, staff director for monetary and financial policy with the Fed. "Presumably it will be going away in the next couple of months, and unemployment will come down, as we move toward more stable expectations about inflation and begin to undo structural contracts."

But many economists were less sanguine about the outlook. They predicted that if the current situation is prolonged, consumers will continue to refrain from borrow-

ing and business will continue to postpone investment.

Despite the Fed's continued commitment to controlling the money supply, its growth has been anything but slow and steady. Perhaps more important, interest rates have continued to seeweed around high levels, and the economy, too, has experienced two recessions in two years.

### 'Roller Coaster'

"If you chart the rate of growth of the monetary base, so help me, it looks like a roller coaster," said Beryl Sprinkel, undersecretary of the Treasury for monetary affairs and a monetarist economist.

Mr. Sprinkel is only one of those who urged the Fed to adopt its current money management techniques but who are not entirely happy with the results. They agree with the Fed's basic strategy, but many of them believe the central bank has bungled the job. They advocate several modifications that they think would make the system work as they desire. One change, for example, would involve a speedier response by the Fed to variations in the money supply.

But others contend that the whole process of adding and subtracting reserves is what creates some of the volatility, and that

moving faster could create more volatility rather than less.

Other critics say the solution lies not in trying to fine-tune the current mechanism, but in moving away from the dependence on the money-supply measures that are the centerpiece of the system. Frank E. Morris, president of the Federal Reserve Bank of Boston, for example, has called for the Fed to focus on a very broad measure of money and credit, such as total liquid assets, rather than on the traditional money supply measures.

"We are in a Catch-22 situation in that the one thing we are well positioned to control is no longer a meaningful target for monetary policy," he said in a recent interview.

Still other economists would aim for more drastic change. Mr. Schmiedeskamp, for example, called for a return to the old methods of affecting the economy by influencing interest rates.

"We can't measure the money supply properly, and we can't control it," he said. "So we get this silly situation where interest rates are just so high that they don't make any sense. Controlling the money supply was a noble experiment, but now is the time to admit that it does not work well and simply get interest rates down."

### NEW ISSUE

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Banque de l'Indochine et de Suez

Banque de Paris et des Pays-Bas

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Westdeutsche Landesbank Girozentrale

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Yamaichi International (Europe)

Yasuda Trust & Finance (Hong Kong)

## COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

### Britain

	Bowater	1981	1980
Revenue	1,730	1,760	1,760
Profits	56.5	42.4	42.4
Per Share	0.257	0.188	0.188

### United States

	General Electric	1981	1980
Revenue	4,020	4,070	4,070
Profits	377.0	359.0	359.0
Per Share	1.46	1.37	1.37

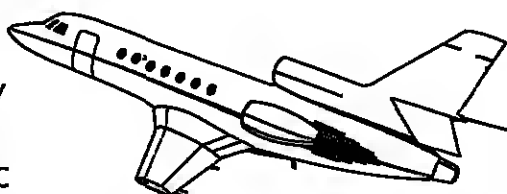
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April, 1982















# Argentine Ardiles a Hero in Adversity

By Rob Hughes

**LONDON** — As British warships were being loaded for hostilities against the nation, "little Osvaldo" was standing on the most traditional of English grounds, arms aloft in an emotional salute to English voices chanting his name last Saturday afternoon.

"One Ardiles... There's only one Ardiles!"

The praise reverberated around Aston Villa, a monument to soccer's Victorian roots. In one sense, it was wholly accurate. You could go half way around the world and not match the perspicacity with which Ardiles produced the master stroke by which Tottenham Hotspurs, his English club, won yet another cup semifinal.

That, in the simplistic way some view things, is all sport should be: a maestro on the field receiving a winner's accolade. But Ardiles, of all people, knows life is more complicated.

There is another Ardiles to the Tottenham hero. There is Osvaldo César Ardiles the law graduate, owner of 700 acres of farmland in Argentina, son-in-law of a political colonel, and himself a young man whose political awareness and patriotic commitment has been far more consciously held than those of most of the world's athletes.

He has never been afraid to turn conversation from soccer to politics — and his politics, when it comes to territory, are those of a true Argentine. On the other hand, in the past month he has been seen by many to jeopardize his World Cup plans with public condemnation of his country's military leadership.

Saturday, the inner Ardiles was **Elter Downs McNamara, Lendl Gains in Monaco**

**MONTE CARLO** — Peter Elter of West Germany scored the first upset of the Monte Carlo Open tennis tournament with a 6-3, 6-2 first-round victory Tuesday over No. 5 seed Rainer Schmitt of Australia. Top-seed Ivan Lendl of Czechoslovakia, meanwhile, defeated Pedro Rebolledo of Chile, 7-6, 6-2.

All other seeded players advanced. No. 2 Guillermo Vilas of Argentina whipped New Zealand's Chris Lewis, 6-1, 6-1; No. 3 Jose-Luis Clerc of Argentina ousted Italian Gianni Occhipinti, 6-2, 7-5; Hungarian Balazs Taroczy, the seventh seed, posted a 1-6, 6-4, 6-4 triumph over Romanian Ili Nastase; No. 6 Yannick Noah of France defeated Australian Rod Frawley, 6-1, 6-2; and No. 8 Thomas Smeets of Czechoslovakia downed Mario Martinez of Bolivia 6-1, 6-3.

in turmoil. He remained in the locker room until the last possible moment, tormented by phone calls from his family in Argentina asking him not to play for Tottenham, and perhaps by the anticipation of an alien British reception.

When he did emerge, Tottenham's fans greeted him rapturously. A banner proclaimed: "You Can Have the Falkland Islands if We Can Keep Ossie." But, as he feared, a low, persistent ill will from a faction of the 47,000 crowd accompanied his every touch.

He began with a nervous, wretchedly misplaced pass. He forced himself to concentrate, to perform without the fluidity, without communicating the love of playing, that is his trademark. Yet after an hour's stalemate, Leicester allowed him the freedom of their defensive lines — and Ardiles turned and delivered a stunning pass to create the winning goal.

So he became the hero in adversity. He left the field reluctantly after what, perhaps, we all suspected, was his last time on British soil. We would hate that, because Ossie Ardiles is one of the most honest and astute players we have seen. He has educated us, improved our recognition of team tactics, and the young inspirational Englishman with whom he shared mid-field creativity, and left us with 150 games and four years of sustained pleasure.

Within 24 hours of the game at Aston Villa, at the very hour the British armada was sailing on the high tide, Ardiles was in the air over Buenos Aires, about to land and join his countrymen's preparations for the World Cup. "I must put country before club," he had said long ago. "More than anything, I want to fight with my country to win again the World Cup."

The departure had been prearranged. Ironically, as he went, Tottenham was naming Ricardo Villa, the Argentine who joined the club with Ardiles in 1978, to replace him in this week's European Cup Winners Cup game against Barcelona.

Ironically too, the corridors of Parliament were filling to the sound of calls not only to blast the Argentine out of the sea around the Falklands, but also to ban them from defending the World Cup. Failing that, some MPs want England to boycott the competition, although by Tuesday indications were that this time sport is not going to be the arena where political wrath is satisfied.

However, although it was sad indeed to hear that Ardiles' last hours in Britain were spent behind a security screen after threats to his family and their luxury home outside London, was he not a legitimate target for those at Villa Park who showed their displeasure throughout Saturday's match? Many of us who knew that Ar-

diles was given, as are most Argentines, to demanding that the Falklands be handed back had decided that in his hybrid professional situation his past comments should not be dragged up over him. While in England, he was sticking to the best thing: No comment.

**"Our Flag Flying"**  
But once he landed in Buenos Aires, he was being reported as saying again that he fully supported the Argentine capture of the Falklands: "It's great to have our flag flying there after 149 years. Most people in England don't even seem to know where the islands are. A lot don't seem interested."

There were, I suspect, a minority in Saturday's crowd who knew precisely the issues at stake, who possibly knew Ardiles' previous political statements and who saw in him, the best known Argentine in England, an incongruous conflict of interests.

Afterwards, his protective club manager, Keith Burkinshaw, blamed the opposing team's fans for their "disgusting" disparagement of Ardiles.

Again, the sportsman oversimplifies. From where I sat, the booing came not from the opposing fans, but from the stands where, frankly uncommitted business clients and the well-to-do often get hold of prestigious cup match tickets.



Osvaldo Ardiles  
... The inner man tormented.

cles. Their constant abuse was insensitive to a sensitive athlete, it's true, but Ardiles represents a prime example of these times of unprecedented international movement of sports people, times in which sport and politics are inevitably intertwined.

Ardiles, a man far more easily recognized than most British players, never mind some remote military junta colonel in South America, must accept that if it is his right to make political observations on the public platform his sporting prowess builds, then spectators, too, are entitled to let him know their opposition.

That said, I hope the little man is allowed to play for Spurs again. He has negotiated his release for May's English Cup final, but admits that is now unlikely. And after the World Cup?

"Tottenham wants me back," he says. Indeed, he has renewed his contract for one year. "But I don't know what I will do. It will depend on how the situation develops."

## Physics: Baseball's Infinitely Variable Pitch

By James P. Sterba

New York Times Service

**NEW YORK** — Tormenting rains delayed it for three days, but had little else to do with a historic collision that took place in San Francisco on the afternoon of Oct. 4, 1962, when a sphere nine and one-fourth inches in circumference and possessing enormous kinetic energy came hurtling across the lower atmosphere directly toward a man who had spent most of his life as a keen student of the phenomenon he was so fearfully observing.

The sphere approaching him at a velocity of roughly 120 feet per second was not much different from today's cork-rubber-wool-cotton-and-leather spheres — tens of thousands of which have been assembled for use on the North American continent in what might be referred to as a seasonal carnival of ballistics physics, but isn't. The season officially opened Monday.

But that particular 5.25-ounce sphere sighted in San Francisco was unique, in that it was the last one observed in sanctioned flight that year. Its disposition was of enormous concern to millions of Americans.

**Bearing Down**  
It was bearing down on a man named Willie Lee McCovey, and what he attempted to do in less than half of the next second was to move a cylindrical club so as to effect a direct collision with the sphere — in order to reverse and decrease its momentum. There were, a physicist would recount later, 26 ways to fail; McCovey avoided all but one of them.

Dr. Paul Kirkpatrick, a retired professor of physics at Stanford and a specialist in optics (he remains a keen observer), calculated the displacement of the cylinder and, in the American Journal of Physics (Vol. 31, No. 8), described the outcome of one of history's most dramatic World Series.

In baseball, the vertical coordinate of the bat at contact is both important and hard to control. Most strikeouts result from its mismanagement, and the 1962 world championship was finally determined by an otherwise perfect swing of a bat which came to the collision nine millimeter too high to effect the transfer of title.

The organization not transferring the world title that day in Candlestick Park was the New York Yankees.

The series was tied at three games apiece, and the Yankees led the San Francisco Giants, 1-0, in the last half of the ninth inning in the final game. There were two outs and runners on second and third. With the count one strike and one ball, McCovey lined a Ralph Terry pitch toward right-center field. But Bobby Richardson, the second baseman, jerked his glove high over his head just in time to snare the ball for the game's final out.

What Kirkpatrick's slide rule told him was that McCovey's bat needed to collide with the ball one millimeter lower so that the upward angle of the ball's trajectory would have carried it a foot or two higher and thus out of Richardson's reach.

Kirkpatrick recently remarked that he and many fellow physicists champion the cause of the club wielder in trying to achieve a collision over the sphere-wielder, whose bodily contortions in trying to avoid it are generally agreed to be extremely devious.

**No Reflection**  
Timing, for example, is but one component of the pitcher's armamentarium. It takes an average pitch less than half a second to get to the batter. Nolan Ryan's record 100.9-mph fastball (Aug. 20, 1974) took only about 0.28 seconds to reach the batter.

So there is precious little time for reflection on the part of the batter, who must see the ball, predict its trajectory and instruct his body how and when to move in order for his bat to arrive at the right position and at the right time.

All that should be achieved in the first one-fifth of a second of the ball's flight — before it is roughly halfway to the batter — is to take about one-fifth of a second more for the batter's body to implement his instructions. The longer a batter waits, however, the better his knowledge of the ball's flight path, and thus

the better his chances of intercepting it.

"Incidentally," said Kirkpatrick, "these things must be done in hostile surroundings, at appreciable personal risk, under an intense feeling of individual responsibility and often subject to high-level acoustic annoyances." The professor considers no-hit games exercises in boredom.

For a ball to be hit into fair territory, the bat — a cylinder turned on a lathe from a log of white ash (*Fraxinus americana*) — must collide with the ball within a horizontal arc of not more than 15 degrees in front or behind the point at which the bat would be perpendicular to the ball's flight path. That amounts to an arc window of about two feet through which a 90-mph fastball will pass in about 15 one-thousandths of a second.

Where the bat must be and what it must be doing in order to collide successfully with the ball, Kirkpatrick wrote, involve four coordinates, each with three variables in three-dimensional space. They are: Three positional coordinates for the center of the bat's mass, three coordinates of directional orientation, three coordinates of linear momentum and three coordinates of angular momentum.

The other day he translated those factors as where the bat is, its direction, how fast it is moving and, least important, its rotation on its own axis. Total variables: 12 in space, one in time.

"In his control of any one of these variables, the batter may err in either the positive or the negative sense," wrote the professor, "so it appears that he is faced at the outset with 26 roads to failure."

How the bat gets there, of course, is through muscle-applied torque at the shoulder, elbow and wrist joints, in addition to the angular velocity of the rotating torso.

The ball's post-collision trajectory depends on the impact angle of the bat and ball, both of which are around. That makes directional decisions much more difficult to fulfill in baseball than in, say, tennis and

## Cubs and Orioles Win; Others Weathered Out

From Agency Dispatches

**CINCINNATI** — Major league baseball opened Monday with rain in Cincinnati, 45-degree temperatures in Baltimore and bad weather around the country postponing the start of the season for several teams.

The Chicago Cubs beat the Cincinnati Reds, 3-2, in a National League opener shortened to eight innings by rain, while the Baltimore Orioles began the American League schedule with a 13-5 victory over Kansas City.

Postponed at least one day were openers scheduled for Tuesday in Milwaukee (against Cleveland; heavy snow forecast), Detroit (against Toronto; cold), Chicago (against Boston; snow, high winds), Pittsburgh (against Montreal; heavy snow forecast), Philadelphia (against the New York Mets; rain, cold) and New York (the Yankees against Texas; snow).

Leading off the first and second innings, respectively, Cub newcomers Bump Wills and Keith Moreland hit home runs to help make Manager Lee Elia's a successful debut.

Moreland also accounted for the third Cub run with a bases-loaded single in the eighth inning that scored Larry Bowa, another of five new starters in the Chicago lineup. Doug Bird earned the victory by giving up only five hits and one run through the first seven innings. "I was shocked at Wills' homer," said Elia. "It all happened so quickly. Here we were, a bunch of renegades from all over the place, and bang — all of a sudden we're up 1-0 and the juices were flowing."

Four Oriole home runs — including first baseman Eddie Murray's fifth career grand slam — accounted for most of the damage against four Royal pitchers.

Rookie Cal Ripken Jr., who also had a single and double, erased a 1-0 deficit with a two-run homer in the second inning. Gary Roenicke hit a bases-empty home run in the third, chasing starter Dennis Leonard.

The Municipal Stadium attendance of 52,034 was the largest regular-season crowd in Oriole history.

**Umpires Pact**  
**NEW YORK (AP)** — Umpires and major league baseball agreed Monday to a four-year contract that raises umpires' top salary to \$75,000 a year.

The pact, which the umpires' union, said the pact calls for increases of 40 percent in the first year and 60 percent over four years. For example, an umpire who earned the \$18,000 minimum last year would make \$26,000 in 1982 and \$37,000 in the final year of the contract, he said.

In addition, league presidents now have the power to assign umpires to specific games rather than on a simple rotation basis.

## Major League Standings

NATIONAL LEAGUE			
	W	L	Pct.
Atlanta	1	0	1.000
Baltimore	0	0	—
Chicago	0	0	—
Cincinnati	0	0	—
Cleveland	0	0	—
Los Angeles	0	0	—
Montreal	0	0	—
New York	0	0	—
Pittsburgh	0	0	—
San Francisco	0	0	—
St. Louis	0	0	—
Washington	0	0	—

AMERICAN LEAGUE			
	W	L	Pct.
Baltimore	1	0	1.000
Boston	0	0	—
Cleveland	0	0	—
Detroit	0	0	—
Los Angeles	0	0	—
Minnesota	0	0	—
New York	0	0	—
Toronto	0	0	—
Washington	0	0	—
White Sox	0	0	—
Yankees	0	0	—

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## Observer The Compassion Test

By Russell Baker

NEW YORK — One thing that angers people at the White House is charges that President Reagan has no compassion. There is a campaign afoot to illustrate that he does, too, have compassion, and in his news conference recently Reagan went out of his way to act and talk like a man with compassion.



Baker

From my television examination of him, I would have said, if asked for a professional opinion, that he has an adequate supply of compassion. Of course, my conclusions may be distorted by the fact that I was eating liver with onions and macaroni and cheese. I was deeply impressed by the fact that the president smiled at me. Perhaps it was my personal antipathy to liver and onions coupled with macaroni and cheese that led me to judge that he was smiling a smile of compassion.

Nevertheless the White House's case is not strengthened by its refusal to submit the president for scientific examination. My distinguished colleague in presidential qualitative analysis, Dr. J. Finney, could settle the matter. So far the White House has not replied to his offer to accept Reagan for analysis. Perhaps it remembers that the last time it accepted the examination of De Gaulle, I had been called in by French authorities to quiet accusations that De Gaulle had very little compassion, and was so astonished by my data that I called in Finney.

"My tests show not a single milligram of compassion," I told him as we worked over De Gaulle's prostrate form. "Is that possible?" "There must be another quality so overpowering that it has ejected all the compassion," Finney said. "Let's try to isolate it."

I was astonished at the substance of his analysis. "It's arrogance," Finney exclaimed. "No, not arrogance," he said. "Look more closely in the microscope and I think you'll agree with me. It's grandeur."

Thus the world learned about De Gaulle's grandeur. The general was so delighted that he began a long career of carrying on like an

emerald and made life insufferable for other world leaders. After Reagan's news conference I phoned Finney to ask if he thought the president had shown symptoms of grandeur.

"Not grandeur," he said. "Just a self-centered notion that he's more qualified than Washington correspondents are to run the country."

The president refuses to undergo tests for compassion because he is afraid of our methods. However, I have subjected such men as the late Robert F. Kennedy and the present Henry A. Kissinger to them without harmful results. Kennedy came to me when he was troubled by charges that he carried an overload of ruthlessness.

He wanted the issue scientifically tested. "I want the truth with the back of it," he said. Such testing can be done right in my office. Or, more accurately, in the dungeons under my office, where I keep my large staff employed concocting ideas for newspaper columns, plotting other columnists' words and turning out highly polished essays. Periodically I go down among these slugs and whip them with a knout when they lapse into slovenliness and graceless prose.

To test Kennedy I took him down with me and when I had worked my way through half the staff I said, "My arm's exhausted. Do you want to finish beating these louts for me?" "Not especially," Kennedy said. "I've learned not to rush."

Some years later Kissinger came in. "People say I don't feel anguish about the sufferings my policies are causing in places like Vietnam and Chile," he said. "Am I not a secretary of state?" "Am I not a secretary of state?" I asked. "I'm not a secretary of state," he said. "I'm not a secretary of state," he said. "I'm not a secretary of state," he said.

"What are you feeling, Mr. Secretary?" I asked. "Anguish," he said. No further tests were necessary. If Reagan showed no compassion we would need Finney's more precise examination to identify his contents, but he would surely find the discomfort a small price to pay for settling the compassion issue once and for all.

NEW YORK TIMES SERVICE

## An 'American Family' Revisited

By Scott Kraft

SANTA BARBARA, Calif. — Once upon a time, Bill and Pat Lourd lived with their five teen-agers in a stucco ranch house on a scenic mountain drive. Our back was the beach; the Jaguar, Volvo and Toyota were parked in the driveway; an American family lived the American dream.

The fairy tale took a nasty twist a decade ago. The Lourds' marriage crumbled and the family shattered in front of a nationwide television audience. It happened the American way — at 9 o'clock Eastern time, 8 o'clock Central, on public television.

They were "An American Family," their glossy but troubled lives played out in a living soap opera. The real-life documentary of the Lourd household, filmed over seven months of 1971 and aired for 12 weeks in 1973, became an analyzed and criticized as any show in U.S. television history. The Lourd family was the subject of the public press.

The surprise ending comes now: The Lourd family has turned out just fine. Bill and Pat have made new lives for themselves on opposite coasts. The children are on their own. Once accused of being a family that "lives without meeting and meets without touching," the Lourd family now keeps in touch with each other more than many families similarly spread across the country.

But the days when the cameras were recording their every move are not forgotten. For the viewers, it was like transgression. Pat Lourd's concern for her homosexual son, Lance, was apparent when she visited him in New York and the cameras followed. Lance took her to a play (the actors appeared in drag) and later they had a long talk. He told her that he felt "like a little mouse trapped in a box" at home.

Pat and Bill's marriage, marked by verbal jousts, began to fall apart. She decided to get a divorce. She gave her reasons in a talk with her brother and sister-in-law in episode eight. In episode nine came the breakup. Viewers saw Pat Lourd boot her unfaithful husband out of the house, and Bill try to get his attorney to keep the divorce settlement low. They saw Lance take up the homosexual life in New York. They saw his brother, Grant, balk at getting a summer job and wreck a family car. They watched Delilah talk for hours on the phone, pursuing her first true romance. Kevin was becoming a high school politician. Michele, the youngest, was a quiet girl of 14 who loved pets.

Today, the Lourd children are making their father prouder than he ever expected. "At one time I was uncertain about how anybody was going to turn out," Bill said in a recent interview. "It was dangerous in that house."

Bill, now 61, remarried in 1977 and lives in a suburb of Santa Barbara. He still heads his mining supplies firm from the office that appeared on the television series.

Pat, 55, lives in New York and is a writers' agent. She has not remarried. Lance, 30, plans to graduate in June from the School for Television Arts in New York. Kevin, 29, has a master's degree and is a finance manager for a petroleum company in Houston. Grant, 27, lives in Los Angeles, writes and performs music, and works part time as a waiter.

Delilah, 26, is a commercial producer for an advertising firm in Los Angeles. Michele, 24, is a pattern maker in New York's garment district. Craig Gilbert, producer of "An American Family," who lives in Malibu, Calif., is developing feature films.

Gilbert had theorized that if a camera stayed with any one family long enough, "something important would be revealed about why men and women in their various roles were having such a difficult time in America during the early 1970s."

"We had thousands of letters that said, 'I loved the series — I think.' It was painful for people," Gilbert says now. The \$12-million, 12-hour series was gleaned from 300 hours of film.

"For one shining moment, there was a glimpse of what television could do as a way for us in our society to see each other," Gilbert says. "It was one of the few times Americans could say, 'I am not alone.'"

"Glimpse into the Pit" The columnist Shana Alexander called the show "a glimpse into the pit." America magazine called it "the painful and unrelenting look at the American dream in the 1970s."

The Lourd family had little quarrel with the show before air time. But when the criticism began, the family was hurt. They had become specimens in a laboratory of popular sociology and they lashed out at Gilbert. The media were quick to pick up their anger.

"We weren't ready for the shock of it being pruned and edited," says Bill Lourd. "We were not ready for the shock of it being pruned and edited," says Bill Lourd. "We were not ready for the shock of it being pruned and edited," says Bill Lourd.

None of the children has married. "I don't know if parents have an influence on that or not, but we did see a divorce," said Kevin. Homosexuality, divorce and extramarital affairs are more open in the open now. Would Americans be shocked by "An American Family" today?

Michael says parts of the series again recently. "It was great — people were laughing and everything. What caused the problems in the first place was that it was so sensational. But there were great moments and I think they'd accept it a lot better now."

Kevin thinks the series still would shock some people. "It's just like when you hear your voice back on a tape recorder. You say, 'Do I really sound like that?' A lot of Americans saw the series and said, 'That looks like me, but it can't be.' People were just too used to seeing themselves depicted on television as Errol Flynn."

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## Waldheim to Be Professor At Georgetown University

Kurt Waldheim, who recently completed a decade as secretary-general of the United Nations, has been appointed a research professor of diplomacy at Georgetown University in Washington. Waldheim will also be a counselor to the Georgetown School of Foreign Services' Landegger Program of international business diplomacy, which provides training in corporate operations, international government relations. He will conduct seminars, lecture periodically and help guide university programs in diplomacy, including the Institute for the Study of Diplomacy. A graduate of the University of Vienna as a doctor of jurisprudence, as well as of the Vienna Consular Academy, Waldheim joined the Austrian diplomatic corps in 1945.

David Axelrod, a great-grandson of Leon Trotsky, is working on a synagogue restoration project in Hebron, on the Israeli-occupied West Bank. "I am living here. I am proud to be here," he told a reporter of Tel Aviv's Maariv newspaper who tracked him down. Axelrod, 21, whose mother was Trotsky's granddaughter, left Moscow three years ago for the United States with his parents, and came to Israel more than a year ago. He rolled in a Jerusalem seminar, drawing closer in the Judaism at which his Jewish revolutionary ancestor scoffed. Now he is cutting marble in Hebron. "It was not hard to be absorbed in Israel," he said. "No one knew me. I was treated as any other new guy."

He said he did not know his family origins until three years ago because his parents feared he would suffer at the hands of the authorities. Trotsky was exiled by Stalin in 1929, and in 1940 was murdered in Mexico by one of Stalin's agents. The descendants of a Leningrad family lived before the Russian revolution can claim 532,000 Australian mining company shares valued at 1.4 million Australian dollars (about \$1.47 million). For more than 60 years the Brisbane-based MIM Holdings Co., one of Australia's top 10 companies, has not paid out of court after five years of legal battles. The two, who lived together for nine years, would not reveal details of the settlement.

The Beverly Hills, Calif., estate of Sheikh Mohammed al-Fassi and his estranged wife — a major issue in their \$3-billion divorce suit — has been sold to a Dutch corporation, a lawyer for the firm said. Disclosure of the transaction came as Sheikh Dena al-Fassi, 32, won permission from Los Angeles Superior Court Judge Robert Faier to remain at least temporarily in a six-room guest house on the property. Richard Simon, attorney for the Dutch Spelco Corp., told Faier that his client bought the property from the 28-year-old Saudi Arabian sheikh in January and that the sheikh had signed a quitclaim deed for her half of the jointly owned estate. But Marvin Mitchellson, the sheikh's attorney, said she was tricked into signing the quitclaim deed. Mitchellson said he would attempt to prevent the sheikh from disposing of any property until he begins paying the sheikh \$75,000 a month in court-ordered support. Faier said he will hear arguments on ownership and possession of the property April 23, but in the meantime the sheikh and her parents can remain in the guest house. The 38-room main house — once considered an eyesore because of its garishly painted nude statues — was severely damaged by a fire on Jan. 1, 1980, and has not been repaired. The sheikh is seeking half his husband's estimated \$6-billion fortune and custody of their four children. In a companion suit, she is seeking to annul two subsequent marriages the sheikh contracted under Saudi law. The rock star Alice Cooper and his former companion, actress Marilyn Manson, have settled their \$2-million "palimony" suit out of court after five years of legal battles. The two, who lived together for nine years, would not reveal details of the settlement.

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